

NEWS SUMMARY

GENERAL

New threat to IMF meeting

Next week's annual meeting of the IMF and the World Bank in Washington yesterday faced a new threat from third world nations angered by the exclusion of the Palestine Liberation Organisation.

Tanzanian Finance Minister Amin Jamal, chairman of the joint session, said he would refuse to issue invitations to any of the observers who customarily attend.

Many are leading figures in international finance, and hotel rooms have already been booked in abundance. Page 5

Man accused of 32 fire deaths

Humbly Grove CID said a 20-year-old man is to be charged with murder and arson following the deaths of 32 people in fires in Hull over the past 10 years.

Forest oil well

Shell UK plans to drill 6,000 ft for oil and gas in the middle of the New Forest if planning permission is granted. Page 7

Poles apply

Leaders of Poland's independent trade unions, cheered by thousands of supporters, applied for legal recognition at Warsaw's central court. Back Page

'Alien' Callaghan

Mrs. Barbara Castle in her diaries says Sir Harold Wilson's sudden resignation left the door of Number 10 open for "an alien right winger" — Mr. Callaghan. Page 8

Air crash deaths

Millionaire vice-chairman of West Bromwich Albion football club Tom Silk and his wife were killed when their light aircraft crashed in southern France.

Hygiene plea

Health officials called for the compulsory licensing of food shops because of hygiene practices "being ignored, and the issue of food poisoning was rising. Page 10

Disease victim

A 69-year-old Scot died of leukaemia's disease in Dundee, and in Cleveland two teenagers, just back from Spain, underwent tests for the disease.

Greek welcome

Greek Government gave a guarded welcome to reports that Turkey has eased its stand on allowing Greece back into the military wing of Nato.

Rates row

Sheffield council which faces stiff penalties for overspending wants to use ratepayers' money to send busloads of unemployed to protest at next month's Tory conference.

Dissident jailed

Moscow courts sentenced a dissident who alleged Soviet abuse of psychiatry to three years jail but freed a religious dissident who renounced his views.

'Cull quingos' call

Tory MP Philip Holland accused the Prime Minister of failing to display the "ruthless killer instinct" needed to cut back on the number of quingos. Page 10

Briefly...

Mild earth tremors shook Tokyo for the second day running.

Soccer manager Lawrie McMenemy was detained by police for refusing a breath test.

IRA suspect held in Holland was named as Patrick Magee.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES	FALLS
Treas. 15pc 1985... 2107 1/2	Burco Dean... 16 1/2
Treas. 15pc 1987... 2881 1/2	Dowry... 222 1/2
Automated Security 313 1/2	Johnson Matthey... 263 1/2
BL... 20 1/2	Legal and General 240 1/2
Coppydex... 27 1/2	Man. Agency Music 163 1/2
Cornell Dresses... 72 1/2	Marler Estates... 95 1/2
Grattan Warehouses... 86 1/2	Mills and Allen... 328 1/2
Kean and Scott... 75 1/2	Ricardo Eng... 448 1/2
Kleinwort Benson... 236 1/2	Samuel (H.) A... 182 1/2
London (R.P.)... 31 1/2	Stewart Wrightson 312 1/2
Pritchard Services... 95 1/2	Wace Group... 22 1/2
BP... 380 1/2	Wills (George)... 55 1/2
Double Eagle... 710 1/2	Gold M. Kalgoolie 575 1/2
Ultrasam... 430 1/2	Hartbeest... 422 1/2
Inch Ken. Kajang 157 1/2	Kinross... 823 1/2
Malaysia Rubber... 157 1/2	Mount Carrington... 62 1/2
Minoreo... 660 1/2	Rustenburg Plat... 343 1/2
	Vaal Reef... 241 1/2
	West Drie... 242 1/2
	Western Bldgs... 245 1/2
	Winkelhaak... 171 1/2

BUSINESS

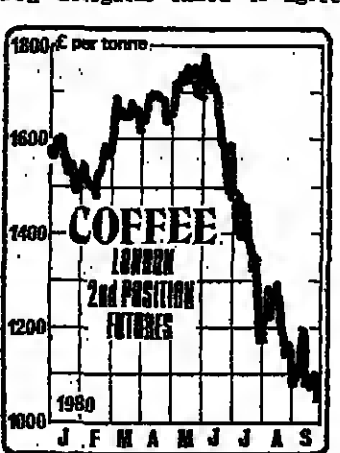
£ and \$ easier; gold off \$7.50

STERLING eased 30 points to 22,395, and fell back against European currencies in reaction to its recent rise. Its trade-weighted index was 76.3 (76.7). Page 36

DOLLAR closed around its lowest levels: DM 1.7945 (DM 1.8115), SwFr 1.6430 (SwFr 1.6610), Y214.50 (Y218.25). Its index was 83.9 (84.3). Page 36

GOLD fell \$7.50 to \$708.50. Page 36. In New York the September Comex close was down \$20 to \$709.50.

COFFEE FUTURES dropped to four-year lows in London as International Coffee Organisation delegates failed to agree



export quotas. November robustness fell £25.50 a tonne to £1,047. Page 43

EQUITIES were still dominated by Middle East fears, and the FT-30 share index lost 1.3 to 483.3. The Gold Mines index fell 25.6 to 517.0 on profit taking. Page 44

GILTS: The Government Securities index put on 0.02 to 70.21 in last trading. Page 44

WALL STREET was up 2.30 to 964.93 near the close. Page 42

SOVIET GOLD sales to the West resumed last month after a gap of more than six months. Nearly half a tonne was exported to Switzerland.

WEST GERMANY showed a trading deficit last month for the first time since 1965. Back Page

NATIONAL COAL BOARD wants Government backing for industrial oil-to-coal power conversion schemes. Page 7. Some OPEC countries may have to end oil exports in 20 years to meet domestic needs an OPEC report said.

STEEL producers are to meet EEC Industry Commissioner Viscount Etienne Davignon to discuss production controls. Page 6. Unisur, France's largest steel company plans layoffs and production cuts to stem losses. Page 35

GENERAL STRIKE to last four hours was called for next Thursday by Italian trade unions protesting at Fiat plans to cut 14,469 jobs. Page 3

UNEMPLOYMENT will be 8m in Western Europe by 1985—8.3 per cent of the workforce—European Trade Union Institute forecast. Page 2

LEYLAND VEHICLES cut £16m from the £38m projected cost of its new technical centre and test track. Page 7

RENAULT is to increase its stake in American Motors of the U.S. from 4.7 per cent to over 46 per cent. Back Page; Peugeot threat to Talbot. Page 8; high interest rates threaten Chrysler. Page 34

BAT INDUSTRIES' first half pre-tax profits fell £8m to £202m. Page 30; Lex, Back Page

ARMSTRONG EQUIPMENT reported taxable profits for the year of £8.04m (£8.73m). Page 30; Lex, Back Page

Oil installations are main targets for Iraq and Iran

BY ROGER MATTHEWS

IRAQ and Iran yesterday concentrated their attacks on oil, refining and petrochemical installations while their diplomats issued threats over the control of the vital Strait of Hormuz at the mouth of the Gulf.

Iraqi fighters attacked Iran's main crude oil loading terminal at Kharg Island last night, according to oil ministry officials in Tehran. They said part of it was on fire and exports had been suspended. Three Iraqi aircraft were claimed brought down during the raid.

Iraq said earlier it had punched across the border to a depth of 10-miles in the 300-mile stretch of territory from Qasr-e-Shirin in the north to Ahadan on the Shatt al-Arab waterway in the south.

The oil refinery at Ahadan and the nearby port of Khorramshahr are almost encircled by Iraqi troops and armour. The area was struck by aerial, naval and artillery barrages and local residents were instructed to dig trenches and prepare petrol bombs.

Iraq's ambassador to Japan, Mr. Mohammed Amin al-Jaffi, in Tokyo said his country was preparing to take control of the Strait of Hormuz at the mouth of the Gulf. Iraq would

guarantee safe passage for foreign tankers, he said. Ships continued to move normally through the Strait although most were being checked by Iranian gunboats.

Iran's ambassador to Rome, Mr. Nasir Sadat Salami, warned that his country would do "something big" if it was isolated and the world supported Iraq. "Our last card could be very dangerous," he said.

Military experts say it would be extremely difficult for Iraq to mount an operation so far from its territory and stress that the Straits are beyond the range of its fighter aircraft. They do not discount the possibility of Iran, as last desperate throw, announcing the closure of the Straits.

The Iraqi petrochemical complex at Basra on the other side of the Shatt was also hit again and hundreds of foreign nationals poured across the border into Kuwait. More than 30 people, including British and Americans, were killed there on Tuesday together with 10 Indian construction workers whose death were reported yesterday. British nationals were being evacuated from Baghdad by land to Amman in Jordan.



THE EXTENT OF THE FIGHTING

Baghdad radio confirmed air and naval assaults on its deep water oil terminals at Khor al-Amara and Mina al-Bakr, just off al-Fao island at the mouth of the Shatt. All loading of Iraqi crude has been halted and

It is having to rely for exports on its two pipelines across Turkey and Syria to the Mediterranean. Continued on Back Page The Iran-Iraq conflict: Details and background, Page 4

Gromyko to meet Muskie

BY OUR FOREIGN STAFF

MR. EDMUND MUSKIE, the U.S. Secretary of State, and Mr. Andrei Gromyko, the Soviet Foreign Minister, meet today as diplomatic activity intensifies to quell the fighting between Iraq and Iran.

Their meeting follows international concern about the impact of the fighting on the world's oil supplies. There are fears that the Straits of Hormuz, which forms the vital route for tankers leaving the Gulf, might be closed.

President Jimmy Carter, back from the political campaign trail, yesterday convened a special session of the U.S. National Security Council to examine policy towards Iran and Iraq.

Mr. Muskie left a UN General Assembly to join the meeting before flying back to New York. His talks with Mr. Gromyko are to centre on arms limitations but the conflict in the Gulf is likely to dominate.

Officials reiterated the U.S. policy of "strict neutrality" in the conflict, emphasised by Mr. Carter in California on Tuesday, and expressed "tremendous concern" about the fighting and its possible implications for the safety of the U.S. diplomatic hostages in Iran. A State Department spokesman said that the U.S. had informed President Bani-Sadr of Iran "privately what we have

told him publicly"—that the U.S. has "no involvement whatsoever" in the fighting.

The spokesman said oil tanker traffic from the southern Gulf ports, including Dahrhan, the major Saudi Arabian terminal, was operating "as normal" through the Straits of Hormuz.

Although Iran has declared all its territorial waters a war zone, officials in Washington said this still left a channel in the Strait outside Iranian jurisdiction which oil tankers could use.

From Beirut, it was reported that Mr. Yasser Arafat, the leader of the Palestine Liberation Organisation, had left there for Baghdad yesterday in an attempt to mediate between Iraq and Iran.

He was expected to go on to Tehran.

At the UN Lord Carrington, the Foreign Secretary, and the other EEC foreign ministers appealed to all states, in particular the U.S. and the Soviet Union, to maintain restraint and avoid any broadening of the conflict.

Their statement was issued after a lengthy meeting of the ministers, under the chairmanship of M. Gaston Thorn of Luxembourg.

This was called to consider M. Thorn's report on the Community's Middle East initiative.

EEC's 1981 draft budget disowned by Commission

BY JOHN WYLES IN BRUSSELS

THE European Commission yesterday disowned a draft 1981 budget, adopted earlier, at the end of an extraordinary cost-cutting session by EEC Finance Ministers. The move represented an unprecedented display of public anger by the Commission.

The draft, which the Budget Council is passing on to the European Parliament, represents a major victory for what one senior official called the "maddening Micawberism" of France and West Germany.

Their achievement over a 15-hour marathon session on Tuesday night was a 22 per cent cut in EEC spending on regional and social programmes and other non-agricultural areas.

The Commission proposal after another was put to the economy sword with uncompromising relish. The resulting draft, the Commission declared yesterday, did not represent a "suitable basis" for Community activity in 1981.

Dissociating itself from "the consequences of council decisions," the Commission said Ministers had destroyed the balance it had sought to strike between the need for strict

economies because of the Community's "approaching" spending ceiling, the EEC's economic situation, and its political requirements.

In "drastically" cutting back on the Commission's proposals the Council had failed to show proper regard for the effects on regional, social, energy, and overseas development policies. The draft, concluded the Commission, "no longer adequately reflects the priorities of the Community."

Many members of the European Parliament will correctly see the Commission's rare outburst as an appeal to them to restore as many cuts as possible. The Parliament, which shares budgetary authority with the Council, will make its amendments to the draft in the first week of November. The Council will then have to decide whether to try to reimpose the version it adopted yesterday or to move towards a less draconian solution to avert a repeat of last year's clash with the Parliament which denied the EEC a budget for seven months.

French and West German tactics are believed here to have been artful for domestic consumption. France is concerned that the Commission's draft spending proposals of £12,652bn were only £346m below the EEC budget ceiling while making no provision for farm price rises next year.

While Paris was out to free money for farmers Chancellor Helmut Schmidt's Government in Bonn will not suffer late in its campaign for re-election by pushing through strict economies in Brussels.

The Franco-German alliance provided a blocking minority which prevented the other seven mustering the qualifying majority by which individual spending decisions could be adopted. Faced with a choice between total deadlock and the Franco-German preferred draft budget the other seven reluctantly opted for the latter.

Italy was so outraged at the outcome that it lodged a protest. But the UK was generally satisfied to have achieved its main objectives—unambiguous inclusion in the budget of £814m for its 1980 EEC budget rebate, together with a possible £63m advance on its 1981 settlement.

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Hopes fade for Greek contracts

BY RICHARD EVANS, LOBBY EDITOR IN BELGRADE

THE PROSPECT of major new UK contracts with Greece for capital projects and energy supplies has receded sharply, to the great disappointment of Mrs. Margaret Thatcher who yesterday completed a two-day visit to Athens.

Under a Memorandum of Understanding signed last November, Britain was to have been given precedence in a number of projects, including the supply by GEC of two 350 mega-watt coal-fired power stations, the modernisation of the Greek railways, and the sale to Greece of North Sea oil.

But some members of the Greek Government now favour seeking contracts out to international tender, an shelving the understanding with the UK. At best, the decision means that projects will be delayed. At worst, it means that contracts expected to go to British companies will be awarded elsewhere.

The news has clearly annoyed both the Prime Minister and her advisers, and the representatives of leading British companies who had been led to expect early confirmation of substantial contracts.

The Prime Minister still believes that Britain is in a strong position to gain new contracts with Greece because of coal and North Sea oil supplies that the country desperately needs.

The issue will be taken up urgently by Mr. John Nott, Trade Secretary, when he visits Athens next month.

Other possible items on Greece's buying list are Chief train tanks and the Rapier air defence system and high technology plant for the new Athos international airport.

A preliminary agreement has been reached for the sale of 500,000 tonnes of coal a year to Greece, but this is unlikely to go ahead without the power station contract.

The experience of negotiating with senior ministers in Athens is said to have opened Mrs. Thatcher's eyes to the considerable difficulties that leading British businessmen face in trying to land major contracts against international competition.

Mrs. Thatcher faced pressure from Yugoslav leaders yesterday, at the start of her three-day visit there, to ensure that the

massive imbalance of trade in Britain's favour is rectified. Mr. Djuranovic, the Yugoslav Prime Minister, told Mrs. Thatcher at a welcoming dinner in Belgrade that a more balanced trade pattern would be in the interests of both countries.

In addition he advocated joint investments, long-term industrial co-operation and joint ventures in third country markets.

The difficulty from Mrs. Thatcher's viewpoint is that Yugoslav imports into Britain could only be increased substantially if they included manufactured goods and textiles which would compete with home industries.

In 1979 Yugoslavia exported £51m to the UK while British exports were £174m.

UK set to improve EEC ties. Page 3

£ in New York	
	Sept. 23
Spot	\$2.4015-4025/\$2.4080-4090
1 month	1.06-1.01 dis; 0.90-0.25 dis
3 months	2.07-2.08 dis; 2.05-2.00 dis
12 months	3.15-3.00 dis; 3.30-3.00 dis

Two big unions face suspension

BY JOHN LLOYD, LABOUR CORRESPONDENT

TWO OF the country's largest unions, with a joint membership of nearly 1.7m, will be suspended from the TUC in 15 days' time if they do not comply with a directive to observe its members by other unions. Such a development would raise the possibility of numerous acrimonious inter-union disputes such as at Grain.

The removal of two right-wing unions from the general council would also result in a swing to the Left in its policies. There was no sign after the meeting that either the AUEW or the EPTU would accept the TUC's formula for Grain. Mr. Terry Duffy, president of the AUEW's engineering section, described the general council meeting as "abortive" and said: "We are convinced that the formula will not work."

Mr. Chapple said that he put the interests of his members before the views of the general council. The sequence of events will be:

The AUEW and the EPTU have until October 10 to show that they mean to comply with the TUC advice.

If they do not, the general council, either at a special session or at its next regular meeting on October 22, will suspend both unions.

An appeal for reinstatement cannot be heard until the TUC conference in September, 1981. That conference could vote to expel them.

Mr. Len Murray, the TUC general secretary, said after the meeting that the basic point of disagreement was the future at Grain of the 57 insulation engineers, or lagers, who replaced the 27 GMWU workers, and who are members of various unions including the AUEW and the EPTU. He said that these two unions had refused to accept the general council's assurances that they would be found alternative work once their work was reallocated to GMWU members.

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EUROPEAN NEWS

Rumbles of discontent on the Arctic front

THE North Atlantic Treaty Organisation's attempt to strengthen its northern flank is causing trouble for the Norwegian Government. The national executive of the ruling Labour Party earlier this month authorised the Government to negotiate with the U.S. about stockpiling heavy equipment in Norway for U.S. Marines. In an emergency, a Marine brigade would be flown in to reinforce Norwegian defences.

The go-ahead was given grudgingly, and was conditional on the final agreement being referred back to the executive and party organs before being submitted to the Storting (Parliament). Mr. Odvar Nordli, the Prime Minister, had to weather strong criticism from a powerful minority over the way in which he, Mr. Knut Frydenlund, the Foreign Minister, and Mr. Thorvald Stoltenberg, the Defence Minister, had handled the matter.

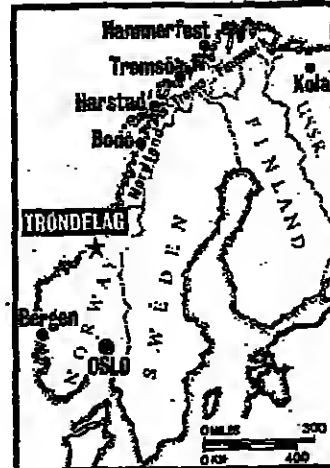
They won the executive's provisional backing only after changing their minds and deciding to stockpile the Marine's equipment not in the north, as originally planned, but some 600 to 700 kilometres further south in the Trondelag area. This would put the stocks 1,000 kilometres from the Soviet border.

Norway's generals are understood to differ over the efficacy of stocking in central Norway, but their objections have been at least partially met by a government decision to strengthen Norway's own defences in the north. A "combined regiment" will be added to the Norwegian forces there, and bigger stocks will be held in the area.

This compromise has not been well-received by the non-Socialist Opposition parties,



The Atlantic Alliance's plans to strengthen its northern flank have precipitated dissent in Norway and Denmark. In both countries the political consensus on national security is threatened. In the first of two articles, William Dullforce examines the problem in Norway.



year, when its concern that the alliance defence effort was slipping behind the attacking potential of the Eastern Bloc forces in Europe revived its interest in the northern flank. In July, Mr. Harold Brown, the U.S. Defence Secretary, suggested to Norway's Defence Minister that matters be speeded up.

But the Norwegian Government had underestimated domestic and external reaction to the stockpiling of U.S. military equipment in Norway once it became evident that the plan would go ahead.

The message from Moscow, expressed in the Soviet media and in informal diplomatic contacts, was that U.S. stockpiles would be seen as a serious military escalation. The Finns, always susceptible to any change in the strategic status which might compel the Russians to take counter measures, voiced similar fears.

But the most worrying reaction came from within the Labour Party. The minority in the parliamentary group and national executive, which had given the party's leaders such a tough time in December over Norway's decision to support the Atlantic Alliance programme to modernise its nuclear forces, queried the need to stockpile U.S. equipment, and was particularly hostile to the "secretiveness" with which it claimed the government had handled the matter.

With the next general election less than a year away, the leaders cannot risk a serious party split over defence, but the minority appears determined to press its demand for a re-assessment of Norway's membership of the Atlantic Alliance.

which regard it militarily as weakening the defence of north Norway and politically as a dangerous submission to Soviet pressure and to the Labour Party's left-wing minority.

The broad political consensus on defence policy which has existed since Norway decided to join the Atlantic Alliance in 1949 is thus under strain, and the Labour Party leaders find themselves in the unenviable position of being under attack on a vital defence issue both from the Opposition and from within their own party.

Outside Norway, the first sparse comments in the Soviet press indicate that Moscow can be expected to maintain its pressure against U.S. equipment being stocked in Norway. According to Oslo, the U.S. State and Defence Departments have accepted the decision to keep the Marine's stock further south, and negotiations will now move into the final phase to enable the U.S. Congress to allocate funds in the next budget.

No assessment of the strategic implications has yet come from alliance headquarters, but the provisional decisions to allocate a U.S. Marine brigade for the defence of Norway and to place heavy equipment for it there aim at restoring credibility to the defence of the alliance's northern flank.

That credibility has been undermined over the past decade by the build-up on the Kola Peninsula, where the Soviet Union now has its biggest strategic weapons base. The Soviet naval and air forces in the area may well be strong enough to win control over the seas off Norway as far south as the Greenland-Iceland-Faroes line, and thus to threaten supply routes from the U.S. to Europe.

Further south in the Baltic, air and amphibious exercises by Warsaw Pact forces indicate that in a crisis they would launch a powerful thrust to seize the entrances to the Baltic. The Atlantic Alliance command could easily envisage

its northern flank being turned and its Atlantic supply lines endangered.

In these circumstances, military experts in Norway and the other alliance countries, not least Britain, had a common interest in strengthening Norway's defence and ensuring that the alliance's plans to reinforce Norway were credible enough to deter the Russians. Reinforcements had to be brought in by air instead of by sea. This, in turn, meant that the defence of Norwegian airfields had to be improved and that the heavy military equipment, with which the reinforcements would have to fight, should be in place in Norway in advance.

The initiative came from Oslo, which asked the U.S. to commit a Marine brigade to the defence of Norway. Earlier alliance plans were based on reinforcing Norway from the allied mobile force.

Washington handled the Norwegian request for a direct commitment fully until last

W. Europe jobless 'will number 9m by 1985'

BY JOHN LLOYD, LABOUR CORRESPONDENT

UNEMPLOYMENT in Western Europe will rise to 9m, or 6.3 per cent of the labour force, by 1985, according to a report by the European Trade Union Institute.

The Institute, a research arm for the European trade union movement, calls on the European Commission to reduce unemployment to 2 per cent of the labour force over the next five years, a target which would require the creation of 10.8m jobs within the EEC and 14.9m jobs in Western Europe.

Mr. Günter Köpke, the Institute's director, says that most European Governments have abandoned the objective of full

employment, and has called for a radical shift in their policies. "Such shifts in policy must not wait until growing unemployment tears apart the fabric of Western European societies," he said.

The report calls for a "combination of faster economic growth, a major industrial policy initiative to increase investment, the right social policies — to allow faster productivity growth in key sectors to finance the expansion of labour-intensive activities and qualitative growth in others — and a significant reduction in working hours could allow the job gap to be filled."

These policies, the report says, could create around 5m jobs in the industrial sector and 12.5m extra jobs in the tertiary sector by 1985.

The report claims that the actual unemployment figures for the EEC are consistently under-recorded by around 1m. In addition, some 1m foreign workers left the EEC labour force between 1973 and 1975.

It says that women have been particularly hard hit. Between January, 1973, and January, 1980, a rise in women's unemployment from 6.8 per cent to 7.2 per cent offset a slight fall in male unemployment.

Spain in State sector review

BY ROBERT GRAHAM IN MADRID

THE Spanish Government is carrying out a major review of the organisation and management of State-controlled companies.

The review, which follows the Cabinet reshuffle two weeks ago and the new Government's commitment to increase investment in the public sector, aims to establish closer co-ordination and integration between companies that the State either fully owns or controls.

This is expected in particular to have an important effect on the operation of the State's holding company INI.

INI controls the bulk of State

holdings in wholly-owned public companies and mixed State-private companies. It consists of 73 directly-controlled companies, primarily industrial, in the energy, engineering and automotive fields.

The group has a combined turnover of over Ptas 1,000bn (35.7bn) and employs about 205,000 persons with an annual investment of some Ptas 150bn (555m).

The State Property and Investment Department has a direct stake in 35 companies. These include the three monopolies of tobacco (Tabacalera), telephones (Telefonica) and petroleum distribution (Campsa). It also holds the State's

interest in five specialised credit institutions and the Banco Exterior.

Until now INI has come under the aegis of the Ministry of Industry, and the Department under the Ministry of Finance.

Traditionally, the Finance Ministry has been more powerful and has used this power to guard its control over these companies, even though it has primarily acted in an administrative role in the latter.

A major criticism has been that these important State holdings have been treated very passively by the Government, allowing the companies to be run for the benefit of the private shareholders.

Norway unions urge gas change

BY FAY GJETER IN OSLO

NORWAY'S POWERFUL trade union federation, LO, has urged that gas from the Anglo-Norwegian Statfjord field should be landed in Norway instead of being sold to Britain.

The federation gives as its reasons the employment this would immediately create through the establishment of gas-based industry and the valuable experience of handling North Sea gas should it be found in future off northern Norway.

In a letter to the Ministry of Industry, the LO cites "long-term industrial policy considerations" as a reason for deciding to apply the principle that hydrocarbons from Norway's shelf should when possible be brought ashore to Norway.

Although this principle was approved by the Storting (Parliament) in 1973, all pipelines so far built from Norwegian oil and gas fields have run to the UK and other parts of Western Europe. Some Norwegian pro-

duced crude oil and natural gas liquids are brought to Norway by tanker.

The LO's letter says that if the 1973 Storting decision is not applied now it may not be possible to land gas in Norway before the end of the century.

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By: David Keith McDonald

Secretary

September 19, 1980



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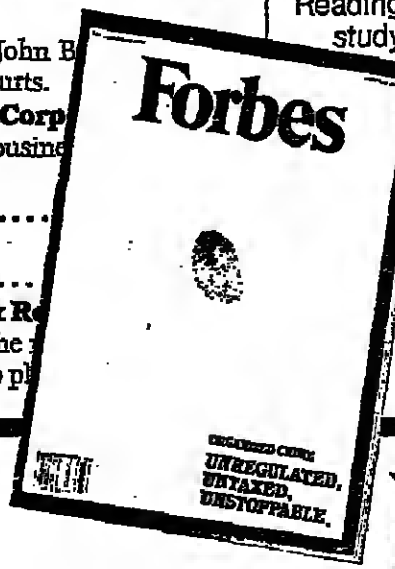
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كتاب من الأعمال

Italy's unions call for stoppage

BY RUPERT CORNWELL IN ROME

THE MAIN Italian unions yesterday called a four-hour general strike next Thursday in protest at the Fiat motor group's plans to make 14,469 workers redundant.

At the same time ominous new difficulties sprang up to threaten the Parliamentary passage of the Government's economic stabilisation package.

The strike was proclaimed by leaders of the CGIL-CISL-UIL three-union confederation, just a few hours before a meeting with Sig. Francesco Cossiga, the Prime Minister, in a last-ditch bid to find a solution to the dispute.

The tough stance taken by the union leadership is essentially to avoid being outflanked by a militant shop-floor in Turin, where Fiat's plants have

been paralysed since talks in the city broke down a fortnight ago.

There are, moreover, strong indications that the opposition Communist Party, which is intensifying its efforts to unseat the five-month-old coalition of Christian Democrats, Socialists and Republicans, is also leaning on the unions hard.

The unions learned a bitter lesson last July when the combined forces of Communists and rank-and-file workers obliged the leadership to reverse, with great embarrassment, its earlier acceptance of a special solidarity levy on industrial salaries. This was to provide a fund to help companies in trouble.

The immediate prospect for an agreed solution to the Fiat deadlock are dim. Sig. Luciano Lama, head of the Communist-

leaning CGIL union, declared that the unions would reluctantly be prepared to accept the mediation proposals of Sig. Franco Froschi, the Labour Minister.

The row at the company now threatens to become entangled with the problems facing the Government as it tries to force its economic measures through Parliament. These face Communist opposition and sniping from its own nominal supporters.

A key vote on the package on Tuesday night went the Government's way by a margin of only one, and it emerged yesterday that 19 members of the coalition parties had voted against.

The defections reflect the fears on the Christian Democrat left (broadly in favour of a new accommodation with the Communists) over the visible ambitions of Sig. Bettino Craxi,



Sig. Francesco Cossiga: talks set.

the Socialist leader, to have one of his own party (and preferably himself) as Prime Minister.

Strauss spells out his plans

By OUR Bonn Correspondent

RUBBLING OVER with pre-election confidence, Herr Franz Josef Strauss, the German opposition's rival to Chancellor Helmut Schmidt, yesterday spelled out a busy programme for his first 100 days in office as the country's leader. Even Herr Strauss, however, admitted that he would first have to win the election on October 5 before the carefully thought-out programme was to become a reality.

This prime foreign policy task would be, he said, to restore U.S. confidence in Germany.

He would also use the November conference on European security and co-operation in Madrid to push for greater human rights in East Germany.

His Finance Minister, Herr Gerhard Stoltenberg (currently Christian Democrat premier of Schleswig Holstein) would immediately start to work on reducing state indebtedness.

The "new government" would, among other things, also build up its oil stocks and introduce measures to clamp down on those immigrants illegally seeking political asylum.

But Herr Strauss, it seems, is not just thinking in terms of electoral victory. If he loses, Herr Strauss suggested, the opposition parties were free to re-consider who should be the official contender for the Chancellery in the 1984 elections.

Both Herr Strauss and Herr Helmut Kohl, chairman of the Christian Democrats, denied that there was any prospect of the party splitting from Herr Strauss's Bavarian Christian Social Union (CSU) should they be defeated at the polls.

Volkswagen and Ford lose sales

BY ROGER BOYES IN BONN

IN A further sign of the deepening recession in the European motor industry, Volkswagen and Ford—two of West Germany's top motor manufacturers—recorded a steep drop in new car registrations during August.

German car manufacturers with a relatively small, clearly defined market—such as

Mercedes-Benz, BMW and Daimler-Benz—nevertheless remain relatively immune to the dramatic fall in demand for cars.

Daimler-Benz increased its registrations to 20,019 from 19,677 in August 1979, and BMW saw new car registrations

rise to 6,281 from 5,759 in the same month last year.

Volkswagen, which earlier this month announced a 28 per cent drop in profit for the first half of the year, recorded a particularly sharp fall in registrations, from 40,200 in August 1979 to 32,580 last month. This comparison with 1979, however, is with an especially strong year.

Ford, which is cutting its workforce in Germany by some 6,000 this year, is clearly still suffering from depressed sales. Registrations fell in August by some 20 per cent, from 16,855 in August 1979 to 12,772.

Surprisingly, Opel—which like Ford is reducing its workforce by almost 6,000 this year—saw its registrations jump upwards from 21,232 in August 1979 to 23,264 last month.

This trend, already apparent in the July figures, reflects healthy demand for its small car, the Kadett, and a slight pick-up in the otherwise flagging sales of its larger models.

Japanese manufacturers are continuing to make the running as far as exports to Germany are concerned.

The import share of the German car market is now 34.7 per cent, compared to 31 per cent in August 1979. This is almost entirely attributable to the Japanese.

Other importers have tended to suffer. BL, for example, saw new car registrations reach only 500 last month, compared to 995 in August, 1979.

Switzerland heads for worst visible trade gap

BY JOHN WICKS IN ZURICH

SWITZERLAND'S foreign trade balance now seems certain to show a record deficit for the current year. Latest figures show that in the first eight months alone the trade gap has widened to SwFr 7.95bn (£2.03bn).

This is in excess of the SwFr 5.77bn recorded for the whole of 1974, the largest deficit so far. For the January-August period of last year, the deficit was only SwFr 2.84bn (£1.94bn).

While imports have risen in real terms by only 4.4 per cent, with a simultaneous increase in export volumes of 2.7 per cent for the period, a marked rise in average prices meant that import values jumped 29.6 per cent and those of exports by 14.4 per cent.

It is likely that the sharp expansion in the deficit on visible trade will lead to a deficit on current account in the balance of payments. This would be the first of its kind since 1965.

The foreign contribution to bank balance sheets was most marked last year in the UK and Belgium, according to a 12-country comparison published by the Swiss national bank.

The survey, based on figures supplied by central banks of various nations, shows that the foreign share of 376 British banks' total assets and liabilities amounted to 48.7 per cent and 51.4 per cent respectively. In Belgium the corresponding shares were of 41.9 per cent and 50 per cent.

In Switzerland, foreign business accounted for 36.5 per cent of assets and 26.8 per cent of liabilities as contained in actual balance sheets. When fiduciary operations are added, the shares jump to 45.7 per cent and 35.7 per cent.

The smallest international stake in bank balance sheets in 1979 was that of Japan. Only 2.6 per cent of assets and 0.6 per cent of liabilities were made up by foreign positions.

Nine to discuss hormone issue

BY LARRY KLINGER IN BRUSSELS

THE SUBJECT of hormones being injected into slaughter animals was yesterday placed on next Tuesday's agenda of the meeting of the Council of Agriculture Ministers.

The move made at the request of Italy, follows a magistrate's ruling in a southern Italian town on Tuesday that effectively banned from yesterday the sale of veal. This amounts to the meat equivalent of a ban on pasta, and follows an earlier ruling that banned the sale of 32 varieties of baby food containing homogenised veal.

Such local rulings often lead to the lengthy procedure of setting up an inquiry and sometimes allow for the issue to blow over quietly. But the veal issue

has now grown to such political proportions that it is unlikely to subside immediately.

In France, a boycott by consumers has led to a reduction of more than 50 per cent in veal sales this month. It has forced M. Pierre Mhaignerie, the Agriculture Minister, to admit the issue's importance by calling for it to be tackled at European Community level.

The European Bureau of Consumers' Unions says that the immediate danger is of hormonal balances being upset in children and old people. It says that in the Italian baby food case signs of abnormal growth in children were attributed with "near-certainty" to hormone-injected veal.

Producers use hormones to

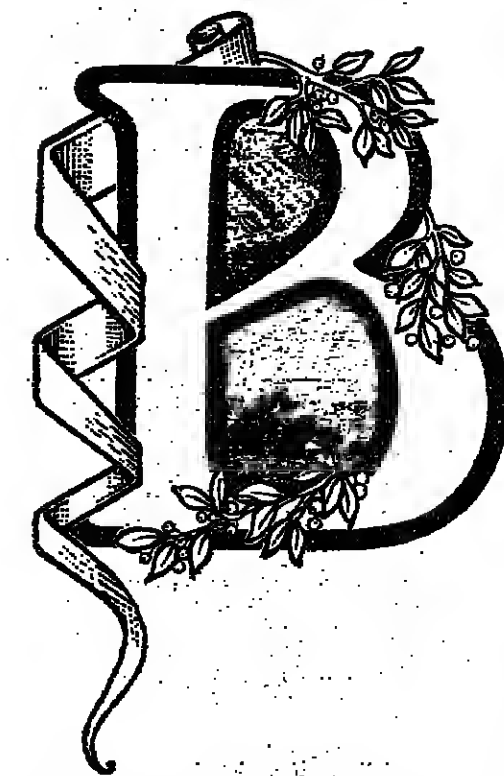
accelerate the growth of their animals, thereby increasing turnover and, it is hoped, profit.

The issue is not new to the Commission, which has been studying the question in conjunction with EEC member countries for years. But with the Italian ban a greater urgency has developed because of the potential threat to cross-frontier trade within the Community.

The Commission has also called a meeting of experts from EEC countries for next Tuesday to discuss progress in techniques of testing food to discover their hormone content.

Control of hormone injection is under the complete control of member countries, and it would be legal to ban the import of suspected meats.

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Please contact Roger Leadbetter, Chief Executive, Borough of Blaenau Gwent, Ebbw Vale, Gwent, Tel: Ebbw Vale (0-493) 369401

UK seen to improve EEC ties

By Jonathan Carr in Bonn

THE WEST GERMAN Government is noting with interest, but still some scepticism, new efforts by Britain to improve its ties with European Community states and with France in particular.

Clear indications of these efforts are understood to have been passed on to Chancellor Helmut Schmidt in a telephone call last Sunday from M. Valéry Giscard d'Estaing, the French President.

The President is said to have given a very positive assessment of the talks he held in Paris last Friday with Mrs. Margaret Thatcher, the British Prime Minister. Several controversial EEC topics were discussed, despite the fact that at the time of the talks it was thought that such issues would be avoided.

Herr Schmidt yesterday asked Bonn Cabinet members whether they had noted any similar improvement in atmosphere with respect to Britain and the EEC. Some evidence emerged that this was so—for example in the talks on the EEC fishing dispute.

This is in marked contrast to the bitter exchanges earlier this year, when Mrs. Thatcher was demanding concessions from her partners.

Both Herr Schmidt and M. Giscard were enraged by Mrs. Thatcher's negotiating tactics at the EEC summit in Luxembourg in April. Although the British finally gained most of what they sought, a frosty atmosphere continued to prevail between Britain on the one side and France and West Germany on the other.

One explanation being offered by German Government officials for the change is that Lord Carrington, the British Foreign Secretary, may now be exercising more control over the general line of British European policy.

Cape school closures bring black education to a halt

BY QUENTIN PEEL IN JOHANNESBURG

SECONDARY EDUCATION for black schoolchildren in South Africa's Cape Province is at a virtual standstill, because the Government has closed more than 70 schools in response to a boycott by the pupils.

Three schools have now been closed in Bloemfontein, Orange Free State, bringing to 77 the total number to be closed indefinitely. In the Cape Province, 74 out of a total of 105 secondary, junior secondary and higher primary schools have been closed.

The closures have been ordered by Dr. Ferdie Hartzenberg, Minister of (Black) Education and Training. The boycott which began five months ago, was called to protest at the facilities in black and Coloured (mixed race) schools, and at the whole

system of segregated education in South Africa.

The main centres of unrest have been Port Elizabeth in the Eastern Cape, the black townships of Cape Town and Kimberley, and smaller towns such as Worcester, Paarl, Adelaide and Oudtshoorn.

A Department of Education and Training official said yesterday that the closures had been ordered after attempts by the Minister and his officials to end the boycott through talks with community leaders.

Specific grievances, such as shortages of books, had been dealt with, but the department could not respond to general objections, such as to the whole system of segregated education. The boycott has coincided with continuing incidents of violence in the townships,

including repeated stoning of buses in Cape Town, where a simultaneous bus boycott in protest at higher fares has been continuing for five months.

The violence has also spread to the Ciskei Homeland in the Eastern Cape, where a headmaster was stoned to death by his pupils two weeks ago.

Disturbances have also spread to the Lebowa Homeland in the Transvaal, where a bus boycott is in its fifth week in the black township of Seshego outside Pietersburg, and another boycott has started in Leoyenyne, near Tzaneen, in each case because of proposed fare rises.

Black schools outside the Cape Province and Bloemfontein have been relatively little affected. Only the Morris Isaacson high school in Soweto has been closed.

India central bank warns Gandhi

BY K. K. SHARMA IN NEW DELHI

THE reserve bank of India, the country's central bank, has warned Mrs. Indira Gandhi's government that limited options are open to it concerning management of the economy, because of the heavy increase in oil prices.

This is one reason why monetary and credit restrictions by the reserve bank in the past year had little effect on inflationary pressures.

In its annual report for 1979-80, published yesterday, the reserve bank recommends that the Government take steps to improve productivity so that commodities in short supply become available.

It has also called for better demand management as part of the strategy to combat inflation, at present the government's

main problem since the current annual rate is more than 20 per cent.

The reserve bank said it will follow monetary and credit policies that will improve production, although the basic stance of the policies must be restrictive at present. It admits that the impact of its policies on the economy has been marginal since the inflation rate shows no sign of abatement.

The report notes with concern an overall reduction in economic activity in India in 1979-80 which resulted in a fall in national income and in the savings and investment ratios.

The Gross National Product declined by about 3 per cent during the year compared to growth rates of 4.2 and 8.1 per cent in the previous two years

respectively. The proportion of savings to Net National Product at market prices declined to 18.3 per cent in 1979-80 from 19.9 per cent in 1978-79, following a perceptible fall in the ratio of savings to national income.

The fall in savings was due to the marked drop in disposable income, because of lower agricultural and industrial production.

The reserve bank has thus confirmed the Government's own fears that the economy slipped last year.

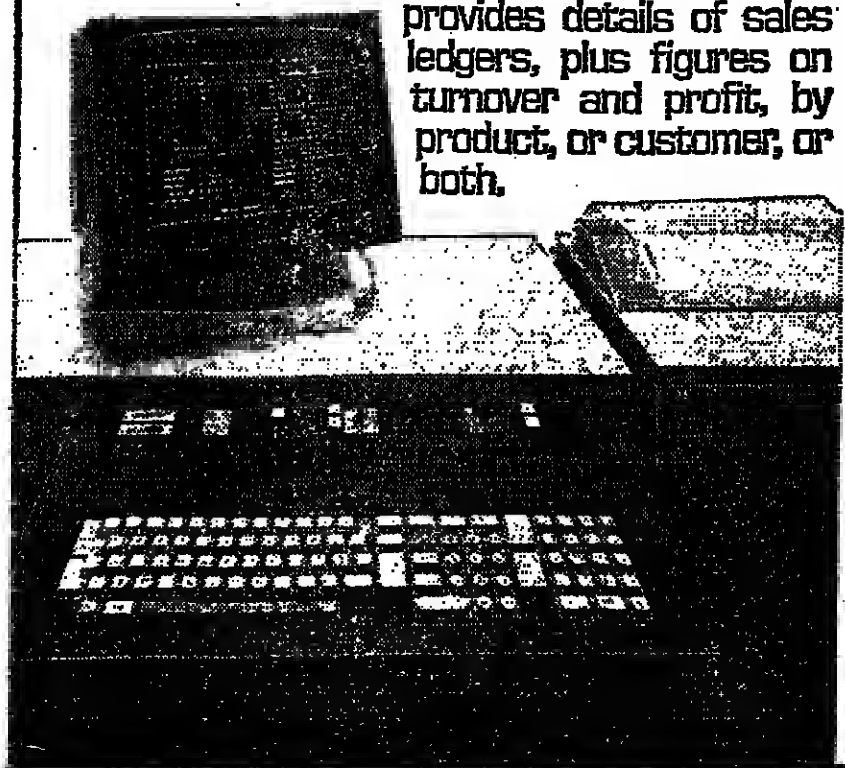
The Government has now taken policy measures to increase production and these have been helped by a good monsoon which is expected to have an impact on agricultural and industrial output.

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THE IRAQ/IRAN CONFLICT

Concern grows in UAE over spreading war

BY JAMES BUXTON

The Arab states at the eastern end of the Gulf are watching the conflict between Iran and Iraq with acute apprehension. The United Arab Emirates, a federation of seven sheikhdoms whose capital is Abu Dhabi, is fearful that the war could spread to the three disputed islands off its coast, which Iraq has said should be handed over by Iran to the Arabs.

Oman, though lying outside the Gulf, possesses the Maadam peninsula which lies on the south side of strategic Strait of Hormuz. The shipping lanes through the Strait run through Omani territorial waters.

The United Arab Emirates has not reacted officially to the fighting, but is known to be monitoring it closely and with growing alarm. In what has been described as an automatic move, its forces have been put on alert.

The UAE is in an awkward position. While Arab, it also has important Persian minorities and Dubai in particular is heavily involved in trade with Iran. The UAE naturally desires to offend nobody and keep its head down.

But it could become involved if Iraq tries to enforce its demand that Iran hands back to the Arabs the three islands at the eastern end of the Gulf which it seized in December 1971.

One of the islands, Abu Musa, formerly belonged to Sharjah, one of the UAE's member states; and the other two islands, the Greater and Lesser Tunbs, belonged to Ras al Khaimah, the northernmost Emirate.

Naturally these Emirates maintain their claims to what they regard as the rightful own-

ership of the islands. But the UAE, with its small indigenous population and modest armed forces, would not want to be involved in fighting over the islands. If there is to be any change in the status of the islands the government in Abu Dhabi would prefer it to be peaceful.

The Sultanate of Oman could face an even more serious crisis were either Iran or Iraq to try to close the Strait of Hormuz to shipping. This could be done relatively easily if a warship were to lay mines or threaten to fire on shipping passing through. Few if any shipowners would allow their captains to try to run the gauntlet.

Already the Iranian navy has declared its side of the Gulf a war zone and its warships have by radio been checking the destinations of ships passing through the Strait.

In the case of the blockading of the Strait of Hormuz, the U.S. indicated on Tuesday that it would not allow the oil supply routes to be threatened and it has the naval power standing by in the Indian Ocean to break any blockade of the Strait. Oman recently signed an agreement with the U.S. allowing the U.S. to make use of naval and military facilities in the Sultanate following specific requests to do so. That agreement could soon be activated.

Saudis see hostilities as grave threat to area

BY OUR JEDDAH CORRESPONDENT

THE SAUDI Government sees the conflict between Iran and Iraq as a grave threat to the stability of the Gulf region, and this acute concern overrides the mixed feelings it has about both the combatants.

The Kingdom has made no official comment on the fighting. It cannot appear to be supporting either side without damaging its declared advocacy of Islamic solidarity. Only last month Crown Prince Fahd urged Muslims everywhere to mobilise their potential to a Jihad or crusade to recover Jerusalem from Israel.

On Tuesday King Khaled spoke in a National Day broadcast of the need for Arab and Islamic solidarity as the means to further progress.

But the Saudi media have tended to play up the news that the Saudis have decided to back Baghdad. Ayatollah Khomeini is regarded as a major threat to the Kingdom, partly because of the power he apparently has to stir up Saudi Arabia's Shia minority which is concentrated in vital oil-producing Eastern Province.

The two countries have quarrelled within the Organisation of Petroleum Exporting Countries (OPEC) with Iran providing the bitterest opposition to the Long Term Strategy for oil price indexation which was the product of a committee under Sheikh Ahmed Zaki Yamani, Saudi Oil Minister.

Before the abortive Vienna



Crown Prince Fahd: urged holy war for Jerusalem.

meeting of OPEC last week, there was a sharp exchange of letters between Sheikh Yamani and Mr. Ali Akbar Moinefar, the Iranian Oil Minister, in which the latter accused the Kingdom of "boasting to imperialism" by maintaining high oil production levels.

The Kingdom's rulers—the Royal Family—as well as the vast majority of educated Saudis, believe that rule by a Khomeini-style fundamentalist Government would be disastrous. But they have not said so to the public, because they fear a backlash from their own religious fundamentalists, the Sunni Wahhabites.

Chaos as the refugees stream out of Iraq

BY ANDREW WHITLEY

HUNDREDS OF Western refugees from air attacks on Baghdad and Basra were yesterday making their way by road to neighbouring Kuwait and Jordan.

By midday about 250 British subjects had reached the safety of Kuwait city. There they joined nearly another 1,000 foreigners who had fled from the conflagration at the Khor al-Zubair petrochemical complex, near Basra.

Most Western embassies in Baghdad are still reluctant to lay on full-scale evacuation operations; one important reason being the virtual impos-

sibility of getting emergency flights into Iraq.

Instead they have been encouraging those of their community who want to get out to organize bus convoys for the trip through the desert to Amman.

A trial bus load of 50 Britons, mainly women and children, left Baghdad yesterday for the Jordanian capital. According to the Foreign Office if all goes well another six buses will make this trip.

Concern centres on those who had to make their way out of the bombed petrochemical complex as best as they could,

leaving all their possessions behind.

At least 50 British subjects and several hundred other nationalities, many of them Poles, are believed to be still waiting at the desert border crossing with Kuwait for permission to enter the sheikhdom.

Four Britons and possibly three Americans died in the first bomb attack at Khor al-Zubair, and a number of others injured are now recovering in Kuwait hospitals. One Italian, part of a group of several hundred in transit to Kuwait at the time, lost an arm.

The survivors on arrival in Kuwait yesterday spoke of the chaos as everyone scrambled for safety, using whatever transport was available. Many were employees of Lummus Thyssen.

A large contingent of about 1,000 Japanese workers are also believed to be making their way to Kuwait, according to diplomatic sources, but there has been no confirmation of this report.

Meanwhile, about 175 Swedes and Danes are being evacuated by their governments from Baghdad to Amman. From there they are expected to fly home today.

Hundreds of other Scandinav-

ians are gathering in Baghdad awaiting instructions depending on what happens in the war over the next few days.

At the latest count there were about 2,500 British subjects, including 800 married to Iraqis, living in Iraq. There were a similar number of Scandinavians, approximately 700 West Germans and an unknown number of French.

The first evacuation flight from Iraq was planned yesterday to take mainly dependants of Lummus Thyssen employees to Amsterdam. The company arranged a charter flight but it was not known whether the

plane managed to land and take off again in the midst of the fighting.

In the first place, Western governments are concentrating on arranging hotel rooms in Kuwait and Amman, not as easy tasks in these two cities as best. From there they are trying to arrange commercial flights on to their destinations.

Officially, no thought has been given yet to airlifts of the sort which took thousands of foreigners out of Iran as the agitation there against the Shah mounted in late 1978, and again after the success of the revolution there.

Strait closure would hit 500 ships

By William Hall, Shipping Correspondent

ALTHOUGH traffic continued to move freely through the busy Strait of Hormuz yesterday, a confidential survey has shown that almost 500 ships would be seriously affected if the entrances to the Gulf were closed.

Lloyd's Shipping Intelligence has compiled a list of vessels either in or en route for the Gulf. Greek ships (128) are most important, followed by British (31), Japan (49) and Liberian (38).

From a total of 486 ships listed by Lloyd's, the majority belong to countries outside the Gulf. Kuwait has 35 ships either in or on their way to the Gulf, Iran has 24 and Iraq 16.

According to reports from the Gulf, ships passing through the Strait are being questioned by the Iranian Navy about their destination, but this is the only interference.

British crews at the top of the Gulf are being paid a war-risk bonus which means their salaries are doubled. The British unions have also asked the owners to double the agreement on death benefits from a maximum of £22,000 to £44,000.

Britons advised to stay away

By Reginald Dale

THE FOREIGN OFFICE has advised British ships not to visit Iraq or Iranian ports, and is discouraging British citizens from visiting Iraq unless they have "essential reasons." Similar advice has for some time been given to prospective travellers to Iran.

In Baghdad, the British Embassy is helping to arrange conveyances for British subjects and their families fleeing the country by road to man and Kuwait. One convey, 100-strong, left Baghdad for Amman yesterday morning during a lull in the fighting. But the Embassy has not yet called for a general evacuation of Iraq by British subjects, many of whom are not in war zones.

Mr. Douglas Hurd, Minister of State at the Foreign Office responsible for Middle East affairs, said yesterday that the vast bulk of shipping traffic in the Gulf was not so far imperilled.

Television, wall posters and newspapers show a benign uncle, drooping in on local hedonism for a cup of coffee, kissing babies, helping the peasants to bring in their crops.

The two images do not necessarily exclude each other. But the one on view to the world today was certainly forged by his early years.

The young Saddam Hussein's strongly nationalist feelings brought him into contact with the Ba'ath party. By 1960 he had already taken part in a failed coup and an assassination attempt, and had been sentenced to death in his absence.

He took refuge in Syria, later studied law in Egypt, and did not return to Iraq until the Ba'athists briefly seized power in 1963.

Then he was on the run again, before? Since the overthrow of the monarchy in 1958, it has usually remained on the sidelines of Arab politics, absorbed by its ferocious domestic politics.

For all the militancy of its denunciations of Israel, the Baghdad rulers have usually confined their radicalism—so Arab leaders have noted with some surprise—to the

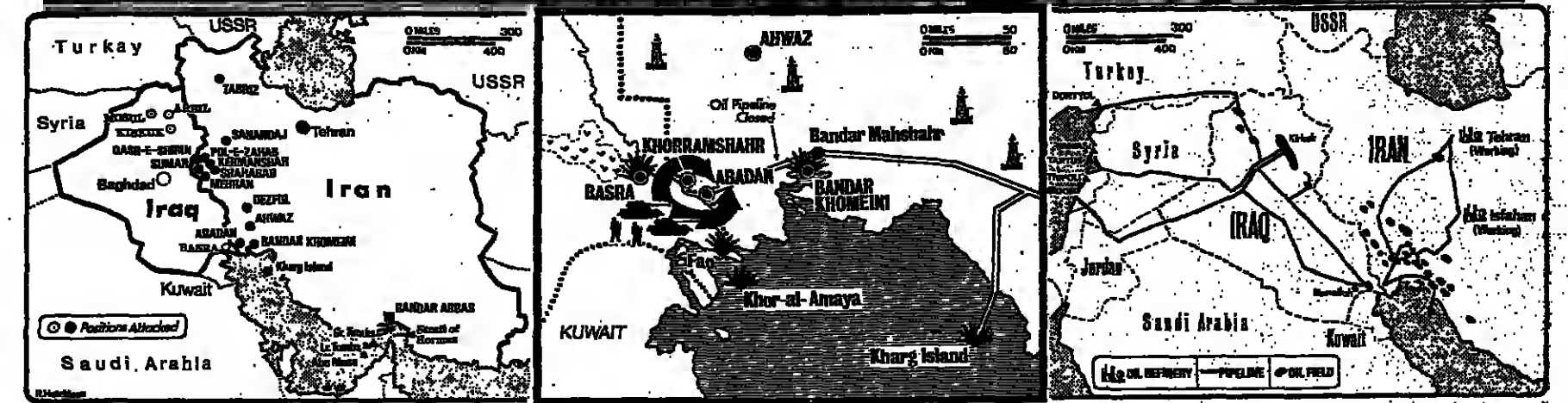
relax a day, making Iraq the second-largest crude exporter to the world. This year's oil revenues should total some \$35bn. Unlike Iran, exploration has been limited, but it is widely believed in the oil industry that crude reserves could be the highest in the Middle East after Saudi Arabia.

Why was Baghdad unable to

absorption were simple. The Ba'ath party, gained an insecure hold on power through a coup in 1968. Its ideology was, and is, a mixture of secular socialism and extreme Arab nationalism, but it differed from the Ba'ath party which holds power in Damascus in that it was the

the

THE GULF WAR SPREADS



Japan fears being the Mideast loser again

BY RICHARD C. HANSON IN TOKYO

JAPAN IS once again holding its breath over events in the Middle East.

As was the case in Iran, it stands to lose perhaps more than any of the industrialised countries if the Iraq-Iran conflict is not contained.

So far, Japanese officials and businessmen, who have laboured intensely in recent years to cultivate ties with Iraq, are counting on hopes that the war will not last very long. Should they prove wrong Japan could face a loss of nearly 10 per cent of its oil supplies that Iraq has provided since Iranian shipments stopped last April.

A long-term disruption in the region could also put in jeopardy the billions of dollars in contracts. In 1979, contracts won by the Japanese in Iraq tripled in value to nearly \$2.5bn (£1bn) for projects ranging from new hospitals and housing to oil refineries and liquid petroleum gas plants.

Iraq accounted for a remarkable 45 per cent of all such overseas orders won by Japan last year.

Mitsubishi Corporation, Japan's highest trading com-

pany, has since the early 1970s played the dominant role among Japanese companies in Iraq, much like the role which its rival, Mitsu and Company, played in pre-Revolution Iran.

Privately, it estimates the value of its business so far contracted at about \$3bn. The company is said to have won the loyalty of the Iraqi Government for completing a fertiliser project after the first oil crisis, despite mounting losses to the company.

Iraq has replaced Iran over the past two years as the second largest Middle East market (following Saudi Arabia) for Japanese exports, particularly for trucks and cars. Exports to Iraq in the first seven months of this year gained 65 per cent over a year earlier to \$1.4bn.

Motor exports were up 114.7 per cent, and have already surpassed in value last year's total. Truck orders in particular were brisk in the weeks before hostilities broke out.

The question once again being asked by the Japanese, as a result of the latest flare-up in the Middle East, is whether there is any way to avoid the

risks inherent in a heavy involvement there. Mitsui and Company, with its troubled \$3.3bn petrochemical project at Bandar Khomeini in Iran, now wishes it had never become involved in the first place.

Work on the project, located near the war zone, has again

Mitsui already wishes it had never got involved in its troubled \$3.3bn petrochemical project at Bandar Khomeini, where work has been halted because of the fighting.

stopped because of the fighting. Mitsubishi Corporation and its family companies are very cautiously proceeding on a petrochemical project the company is committed to in Saudi Arabia, with no apparent way out of the deal.

The roots of Japan's present dilemma date back to its rather

hasty reaction to the first oil crisis in 1973. Government officials felt justified in launching a strategy of offering large-scale assistance to Arab oil producers to assure long-term supplies of oil. The Middle East provides about three-fourths of all Japan's oil imports, which were handled almost exclusively by the major Western oil companies before 1974.

Reuters reported yesterday that Iraq had stopped shipments of crude oil from all its ports, according to an official of Mitsui. A number of tankers, including 10 owned or operated by Japanese companies, were moored at the head of the Gulf near the Iran-Iraq border, he added.

Of the Japanese in Iran, 554 are in Tehran and 559 in the south. In Iraq, nearly 3,000 Japanese are living in Basra, a target of Iranian air attacks over the past few days. They are believed to be making their way to Kuwait.

Under an agreement signed with Iraq in 1974, Japan pledged to make available about ¥75bn (£147m) in financing for six projects in return for a 10-

year agreement on oil supplies. Japan has not until recently wanted very much of Iraq's heavy crude, but the Government has committed more than ¥25bn to two projects. About ¥224bn (£440m) in credit is also available to Iraq to finance Japanese imports.

"We aimed at building a very solid pipeline between ourselves and Iraq, especially since the trouble broke out in Iran," one Government Middle East specialist commented. Japanese enthusiasm for Iraq was enhanced by the vigorous approach Iraq itself has taken toward modernising its infrastructure and industry in the five-year plan ending this year.

Needless to say, Japan is expected to play a very active role in the next five-year plan, if war does not divert plans.

Optimists regarding Iraq contend that even if hostilities continue to escalate in the area, the damage to Japanese interests (aside from a loss of oil supplies) will be limited simply because most of the projects contracted for have yet to progress very far.

Baghdad's Eastern promise lures Western leaders

BY ANDREW WHITLEY

IN A marked swing away from its years of isolation and dependence on the Soviet Union and its allies, Baghdad has over the past 24 months played host to a stream of Western leaders anxious to tie up oil and other trade contracts.

The fruits of their efforts were shown in last year's trade figures. The five leading suppliers of goods and services, Japan, West Germany, France, Britain and Italy, together represented exports worth \$4.1bn (£1.9bn).

In the first half of this year, Japan and West Germany, the leading exporters, each recorded increases in sales of over 60 per cent: the former to ¥275bn (£542m) and the Germans to DM 1.5bn (£351m).

Italy and France both have enticing prospects in store, whereby packages of arms sales individually worth \$2.5bn would be traded off for increased oil supplies. The two sets of negotiations are at a similar, advanced stage.

France has devoted considerable efforts in recent years to courting Iraq, with the result that it is now its second largest oil supplier, providing 20 per cent of France's needs. Its oil-take of 600,000 barrels a day represents the oil producer's biggest single customer.

Italy, despite having invested less political effort in the rela-

tionship, is in a similar position as far as oil is concerned. Iraq is also its second largest supplier, providing about 20 per cent of oil imports.

In early 1980, Italy won orders totalling \$1.1bn, mainly in the fast-developing sector of infrastructure construction. GIE is to build a power station costing some \$500m, while Nuovo Pignone won a contract for a \$210m compressor station.

Like France, Italian companies are heavily involved in helping Iraq set up a nuclear power industry—a programme which has stirred considerable controversy in the West. Five nuclear research laboratories have been ordered from Rome,

in addition to the two experimental reactors being built by Paris.

Unsurprisingly, the growing relationship with Western Europe has had its low points as well. France and Britain have experienced setbacks because of Baghdad's disregard for internationally accepted diplomatic conventions; and in Britain's case, this has adversely affected current trade prospects.

Exports to Iraq in 1979 were worth about £201m—down from the level of the previous year when they had appeared to be on a fast rising trend. Lord Carrington's visit to Baghdad in June last year was the first by a British Foreign Secretary since the revolution which over-

threw Iraq's monarchy in 1958, but economic benefits have not reached hoped-for levels.

The British Foreign Secretary's trip coincided with a spate of visits from West European politicians. Among them were M. Raymond Barre, the French Prime Minister, Herr Hans-Dietrich Genscher, the West German Foreign Minister, and M. Henri Simonet, then Belgium's Foreign Minister.

Until the outbreak of this week's fighting, up to 2,000 Britons have been working on a wide variety of development projects in Iraq. These include agriculture, power stations, petrochemicals and transport infrastructure.

Iraqi President makes his bid for Nasser's crown

BY PATRICK COCKBURN

THE ATTACK on Iran is Iraq's bid to become the predominant power in the Middle East. If its armies defeat the Iranian forces in the plains of Khuzestan, then Iraq's President Saddam Hussein will become the first Arab leader since Nasser to secure dominant influence in the region.

If he loses, the power of militant Islam under Ayatollah Khomeini, Iran's revolutionary leader, will dominate the Gulf and Saudi Arabia. The diminution of U.S. influence in the region since the fall of the Shah in 1979, and the isolation of Egypt since it made peace with Israel, has left a power vacuum. Iraq intends to fill it. The rulers in Riyadh, Kuwait and Abu Dhabi and their scanty populations will have little choice but to ally themselves with the victor in the present conflict.

Baghdad has long had the potential to become the great power in the Arab world east of Cairo. This strength depends on a unique combination: oil and people. Its 13m population is large in Arab terms, greater than that of Saudi Arabia, Jordan, Kuwait and the smaller emirates of the Gulf put together. This enables it to field a powerful army and to create an administration not ultimately dependent on the skills of expatriate labour, as happens elsewhere in the oil states.

In addition to this large population, the oil wells around Kirkuk, north of Baghdad, and Basra, in the south, now have the capacity to produce up to

meeting of OPEC last week, there was a sharp exchange of letters between Sheikh Yamani and Mr. Ali Akbar Moinefar, the Iranian Oil Minister, in which the latter accused the Kingdom of "boasting to imperialism" by maintaining high oil production levels.

The Kingdom's rulers—the Royal Family—as well as the vast majority of educated Saudis, believe that rule by a Khomeini-style fundamentalist Government would be disastrous. But they have not said so to the public, because they fear a backlash from their own religious fundamentalists, the Sunni Wahhabites.

That international or inter-Arab persons contrast sharply with the image being created for him inside Iraq since he assumed the presidency last

Saddam Hussein—the man behind the mask

PRESIDENT Saddam Hussein came up the hard way in Iraqi politics. Over the past three decades that has meant intrigue, ruthlessness, personal courage and a knowledge of firearms.

The experience of those early political years shows in the man, who is still only 43, today. Not tall, but solidly built, his hair and lush moustache immaculately groomed, he exudes authority. His presence as last December's Arab summit in Tunisia had an immediate impact on the other delegates. For the television cameras he stared straight ahead, absolutely still and unblinking.

That international or inter-Arab persons contrast sharply with the image being created for him inside Iraq since he assumed the presidency last

before? Since the overthrow of the monarchy in 1958, it has usually remained on the sidelines of Arab politics, absorbed by its ferocious domestic politics. For all the militancy of its denunciations of Israel, the Baghdad rulers have usually confined their radicalism—so Arab leaders have noted with some surprise—to the

and to 1964 performed the deed which members of his entourage still love to recall. Trapped alone in a house by police, he is said to have held them off single-handed for a whole day and was captured only when his ammunition ran out.

On his release from prison, Saddam Hussein moved fast to consolidate the Ba'ath party's power. His earlier alliance with former President Hassan Al-Bakr brought him the job of deputy chairman of the Revolutionary command Council and within a year he was widely recognised as the "strong man" of the regime.

Since then, his total dedication to the maintenance of power at home has been paralleled by a pragmatic foreign policy which would be tailored to fit his domestic requirements. His suspicion of

Communists, in so far as they might be plotting against him, did not prevent Iraq signing in

rests on having his own people in key positions. In common with other Arab states, these crucial people tend to be part of one overall "family". In Iraq today, the "family" is both from the Takrit region and more intimately from Saddam Hussein's own blood relations.

But survival means controlling your enemies and being in a better position to dictate events. Ayatollah Khomeini declared himself an enemy of Saddam Hussein, and pushed some of his religious zealots into the front line. He had to be stopped, and if at the same time there was a better than even chance of establishing Iraq as the dominant local power in the Gulf, the choice was perhaps inescapable.

His power has inevitably



1972 a treaty of friendship and co-operation with the Soviet Union.

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THE FACTS ABOUT Iraq

AREA	168,134 square miles
POPULATION	13.5m
EXPORTS 1979	\$21.72bn
OIL EXPORTS	\$21.56bn
IMPORTS 1978	\$4.27bn

For 12 years Iraq has pursued a cautious and self-absorbed foreign policy. The extent of the attacks now being launched are out of character. Iraq has limited its options to a choice between victory or defeat, and Mr. Saddam Hussein may have miscalculated the "long-term capacity of the Iranians to resist his armies."

Ayatollah Khomeini may refuse to "compromise or recognise any 'facts on the map' established by Iraqi divisions. In the event of a long war against the raw but zealous levies of the Islamic Republic, the sectarian divisions within Iraq could open up. The Ba'ath Party power in Iraq depends more on its political consensus than on its military strength. It needs a

هناك من الخيال

Presidential contenders vie for Jewish vote in key states

BY DAVID BUCHAN IN WASHINGTON

LET THE Palestine Liberation Organisation breeze into Washington in the heart of the U.S. presidential election campaign, and the Carter White House knows full well it could kiss most of the American Jewish vote goodbye. So, the Administration has fought tooth and nail to stop the Palestinians getting observer status at next week's International Monetary Fund and World Bank meetings here, and has apparently succeeded.

In the longer run, the victory may be Pyrrhic. "We cashed in a lot of our chips," one U.S. official explained, in strong-arming enough Fund and Bank member Governments to keep the Palestinians out, and he doubted whether the effort could be repeated. But President Jimmy Carter, like his rivals, has eyes only for the November 4 finishing tape, and the President has at least prevented his standing with the American Jewish community from sliding any lower.

Mr. Carter has played a very effective, quiet game. On this issue, says Mr. Hyman Bookbinder of the American Jewish Committee, one of the biggest political lobby groups. But because it was private diplomacy—persistent telephone calls by Mr. William Miller, the Treasury Secretary, and Mr. Edmund Muskie, Secretary of State, to their ministerial counterparts abroad—it will not redound to Mr. Carter's public credit. American Jews, accord-

ing to all recent surveys, favour Mr. John Anderson, the independent candidate, over the Democratic and Republican nominees.

All three runners for the White House are making a strong pitch for the domestic Jewish vote, for electoral reasons time-honoured and well-known by now. Just under 6m strong, U.S. Jews make up 3 per cent of the population. But in sharp contrast to the apathetic general electorate, Jews find it very hard to abstain from the polling booth and traditionally make up 5 to 7 per cent of the national vote.

Crucially, U.S. Jews are concentrated in the most populous areas, such as California and Florida. And almost half of them live in the New York-New Jersey-Connecticut-Pennsylvania belt. These big states have a heavy weighting in the electoral college, and Jews can provide the edge in, say, New York, where they can account for 20 per cent of the turn-out.

But U.S. Jews do not form a monolithic voting block. They frequently differ on the kind of Israel they want Washington to support.

This summer, some influential U.S. Jews broke with Mr. Menachem Begin's West Bank settlement policy, calling themselves the "Peace Now" movement, and like many Americans their admiration for President Anwar Sadat of Egypt exceeds their esteem for the Israeli leader.

Likewise, U.S. Jews are



Mr. Carter with Mr. Sadat and Mr. Begin at the signing of the peace treaty

much more solidly in the Democratic camp at home than they used to be. Former President Richard Nixon, for instance, received 35 per cent of the Jewish vote in 1972, against Senator George McGovern, who was thought to be a wavering on Israel. Any American Jew can quickly list the reasons why it seems next to impossible for Mr. Carter

this year to repeat his feat of winning the 75 per cent of Jewish votes he gained in 1976. The "rot," he will tell you, started with the Administration's 1978 sale of top-notch jet fighters to Saudi Arabia (and, less sensitively, to Egypt), continued with Mr. Carter's reluctant acceptance of Mr. Andrew Young's resign-

ation as United Nations envoy in last summer's dispute over contacts with the Palestinians, rose to a climax in this March's bungling of the U.S. vote in the United Nations over Israeli settlement policy, and was then aggravated by Mr. Carter's rejection in August of his Democratic Party's call to recognise Jerusalem as Israel's capital.

Two factors mitigated the effect of these events on U.S. Jews. The resignation of Mr. Young, virtually the Carter Administration's top black appointee, did not lead to a lasting split between Jews and Blacks, forcing Mr. Carter to choose between the two main strands of the traditional Democratic coalition. Talk a year ago by angry Black leaders, who saw Mr. Young as sacrificed on the altar of Zionism, of opening a dialogue with the PLO has been submerged in concern about economic recession.

Second, and more important, was Mr. Carter's role in bringing Egypt and Israel together in the Camp David accords and a bilateral peace treaty. Despite the sticky Jewish in the dragging Palestinian autonomy talks, these achievements stand as the prime success of a Carter first term. As a carrot for voters to re-elect him, Mr. Carter holds out the prospect of another post-November Middle East summit.

Capitalising on these agreements whenever and wherever possible, Mr. Carter has also been reminding Jewish voters that half of the \$22bn that Israel has ever got from the U.S. has come during his presidency—\$3bn this year alone.

Seeking to allay the widespread Jewish suspicion that he would use the freedom of a second White House term to put the negotiating squeeze on Israel, he has promised never

to cut this flow of aid. The nub of the Carter message is that, his rivals may promise Israel more (and they do), but that he is the more effective in helping Israel solve its practical problems.

Mr. Ronald Reagan has won loud plaudits from Jewish audiences by slapping Mr. Carter for failing to brand the PLO outright as a "terrorist organisation"—a label the Administration has always stopped just short of using—and by calling Israel "a very reliable friend, not always true of the U.S. Government under Jimmy Carter."

The Republican candidate may yet score as high among Jews as Mr. Nixon did in 1972. But there are grounds for thinking that any Republican nominee but Mr. Reagan might have done much better this year.

Jewish qualms about Mr. Reagan seem to fall into three areas. A Reagan Administration might have to its fore the conservative, business wing of the Republican Party, personified by Mr. John Connally who dropped out early in the primaries to back Mr. Reagan.

But before he did so, Mr. Connally, whose Houston law practice has many Arab clients, came up with a Middle East plan, which boiled down to a swap of Arab oil for U.S. weapons against Soviet influence, with Israel forced to like it or lump it. This revived U.S. Jewish fears that if the stark alternative is Arab oil or Israeli

security, the U.S. will choose oil. All three 1980 White House contenders profess born-again Christianity, making religious minorities in the U.S. understandably edgy about an eroded division between church and state. Jewish fears that Mr. Reagan might carry his beliefs to greater lengths have been given impetus by the Republican candidate's sharp stand against abortion (which is simply not an issue in the Jewish community), and his public sharing of Christian fundamentalist doubts about evolution.

Mr. Reagan, finally, is simply too conservative for many U.S. Jews who, despite their rapid climb up the economic and social ladders in recent years, were not so long ago allied with the black community in the fight for civil rights. Mr. Reagan may pass the litmus test on Israel. But "policy towards Israel, though a serious matter, is not the only basis on which Jews make their judgement," Mr. Bookbinder says.

This in part explains why so many U.S. Jews have apparently swung to the eclectic Mr. Anderson. The independent candidate more than passes muster on Israeli policy (outdoing Mr. Reagan even in calling for eventual recognition of Jerusalem as Israel's capital). He is articulate, always a plus with Jewish voters, and somewhat conservative on economic issues at the same time as being liberal on social policy.

Jamal presses IMF on issue of PLO observers

BY JUREK MARTIN, IN WASHINGTON

THE CONTROVERSY surrounding next week's annual meeting in Washington of the International Monetary Fund and World Bank has been compounded by a new threat from Third World nations angered at the probable exclusion of the Palestinian Liberation Organisation.

Mr. Amir Jamal, the Tanzanian Finance Minister and chairman of the annual meeting, has told the IMF by cable that if the PLO is banned he will issue no invitations to any of the observers who customarily attend.

His warning was reportedly pressed at a session on Tuesday of the IMF's executive directors by Third World representatives. Mr. Jamal is in Bermuda for the Commonwealth Finance Ministers' meeting and refused comment yesterday.

After its board meeting on Tuesday, the IMF announced that the U.S. had succeeded in raising both the necessary quorum and support for its proposal that the observer list be confined to those present in Belgrade last year, pending a review of the whole observer question, to be completed by March next year.

More than 50 international institutions have enjoyed observer status in the past. Although the total attendance at an annual meeting can run as high as 10,000 (including staff, Finance Ministers, assistants, observers, guests, visitors and the Press), the actual number of official observers is quite small: only about 150 were officially so

designated in Belgrade last year. But they include the luminaries of the international financial and economic world, such as M. Rene Lahar, of the Bank of International Settlements, and Mr. Emil van Lennep, of the Organisation for Economic Co-operation and development.

Technically the annual meetings could function perfectly well without observers and hordes of guests and visitors. Although the PLO affair threatens to make next week an exception, most of the real decisions are taken outside the forum of the annual meeting itself, and therefore outside the jurisdiction of its chairman, Mr. Jamal, thus making his threat less effective than it might appear at first sight.

The IMF's interim committee, for example, which sets policy, is totally independent of the annual meeting. Mr. van Lennep is one observer who sits in on, and contributes to, its deliberations and will be able to do so again when it convenes next Sunday, whether or not Mr. Jamal declares him a non-person for the purposes of the meeting itself.

Additionally, there are innumerable caucuses of Finance Ministers under the labels of the Group of Five or 10 industrialised countries or the Group of 77 developing nations, which operate outside the auspices of the annual meeting, not to mention the countless bilateral discussions that take place in corridors, bars, and restaurants. Bermuda talks, Page 8

Maine rejects move to close its nuclear plant

BY OUR WASHINGTON STAFF

VOTERS IN MAINE have rejected by a large margin a move to close down the state's only nuclear power plant and to ban the building of future reactors.

A referendum, held on Tuesday, was the first in U.S. history aimed at shutting down one of the country's 70 operating nuclear power reactors, and its outcome was taken seriously by both the nuclear industry and environmental and anti-nuclear groups.

Governor Joseph Brennan said he was "extremely pleased"

because closure of the Yankee reactor would have hit the state's shaky economy.

At the same time, Maine was unlikely to build any more reactors, the Governor said. The referendum turn-out, the highest of any election in the state's history, showed that powerful anti-nuclear sentiment existed.

Meanwhile, in the very last primary of this season, Senator Donald Stewart of Alabama was unseated in the Democratic primary by Mr. Jim Folsom junior, son of a famous populist father of the same name.

World Development Report, 1980

This is the third annual report in the World Bank's series designed to present a continuing assessment of development problems. The 1980 Report focuses on adjustment and growth in the 1980s, with particular attention to human resources, development, and poverty alleviation.

Part I looks at prospects and issues for development, the outlook of developing countries and international problems and policies. Part II concentrates on human resources and looks at the dimensions of poverty, sources of growth, prospects of raising the income of the poor, and health, nutrition, and fertility. The Report examines some practical lessons demonstrating that human development requires physical support and a reduction in financial constraints. Finally, it discusses the prospects and priorities in the different regions: Africa (sub-Saharan and north), Asia, Latin America, and the Caribbean. £8.95 paper covers £3.50

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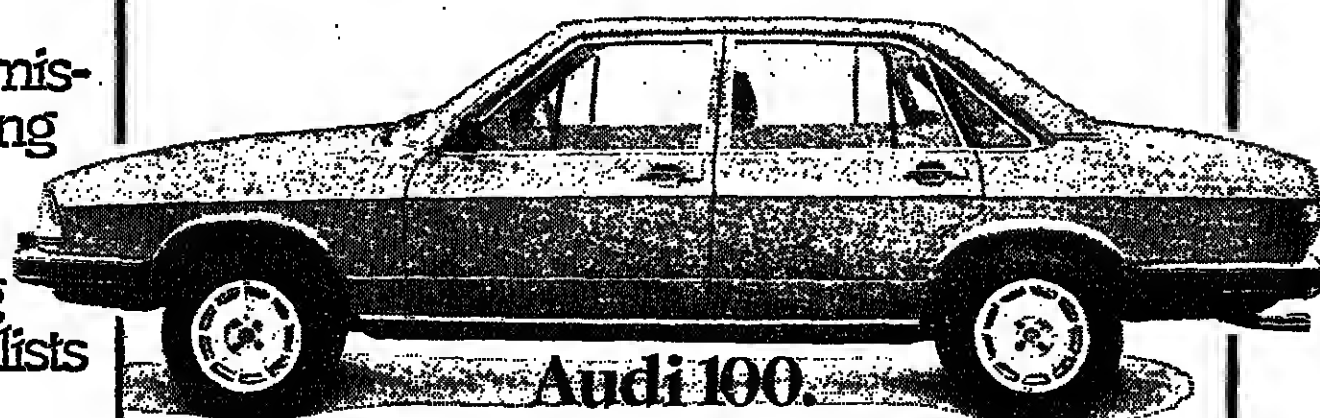
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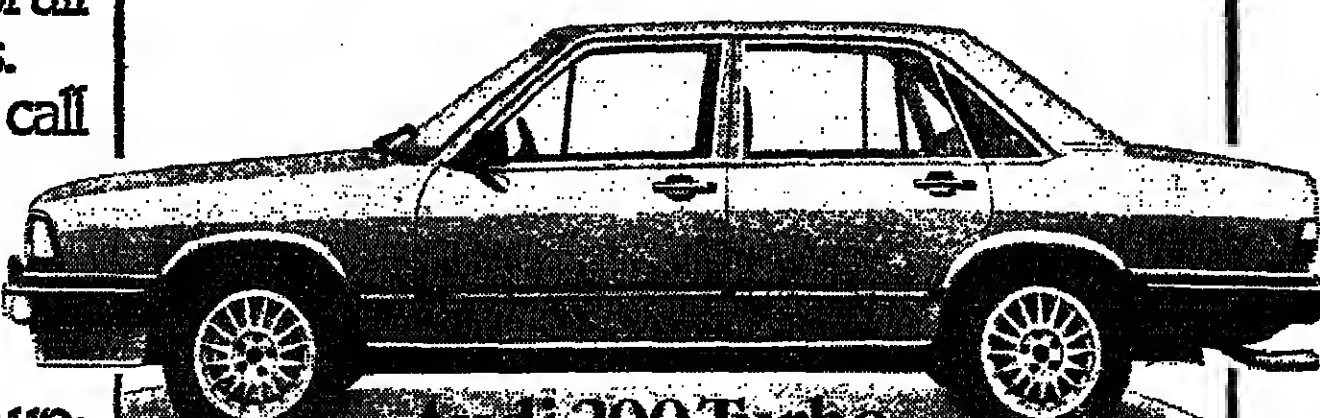
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WORLD TRADE NEWS

EEC steel talks called in effort to avert compulsory controls

BY GILES MERRITT IN BRUSSELS

A MAKE-OR-BREAK meeting between the heads of the EEC's 12 largest steel producers and 12 Viscount Etienne Davignon, the Industry Commissioner, has been arranged for next Tuesday as a final attempt to avert compulsory controls for the industry.

The Brussels talks are a bid by the EEC Commission to secure the steelmakers' support for voluntary restraint that would cut output sharply and help end the price cutting that risks developing into a full-scale price war. The meeting follows a round of bilateral contacts in which Viscount Davignon has attempted to bring the steel producers into line one by one.

The convening of next week's special negotiations coincides, however, with reports that the French Government has proposed to other EEC members that mandatory production controls, to be set by the Brussels Commission, should be adopted by the Foreign Ministers of the Nine at their next Council of Ministers session here on October 7.

The possibility that the Community may fall back on the unused powers of Article 58 of the European Coal and Steel Community's Treaty of Paris has increased strongly in recent days. Although the Commission has been reluctant to employ sweeping and mandatory powers, Article 58 is now being made to appear more credible as an option by discussion in Brussels of the various ways in which it could be used. Instead of being used as a blanket measure, it is pointed out that time limits could be set on the compulsory controls, while only a number of steel products need be included.

If next week's discussions between the steel producers and Commission officials fail to yield agreement on voluntary curbs that would reduce EEC steel output by 13 per cent from end-1979 levels, then the head of steam behind Article 58 controls will be hard to resist.

The 12 participants in the forthcoming Brussels talks are to be France's Usinor and Sacilor; Belgium's Cockerill and

the Charleroi "triangle" group; Luxembourg's Arbed; British Steel and the British Independent's BISPA association; the Estel Link-up of Hoogovens of the Netherlands; West Germany's Hoesch, Thyssen, Krupp and Peine; Salzgueter; and Italy's Finsider.

One event that could help Viscount Davignon to restore his three-year-old voluntary Davignon Plan for production and price discipline is that the EEC producers' \$3bn-a-year U.S. export market is due shortly to be re-opened to them. Mr. Reubin Askew, President Carter's special trade representative, has this week assured the Brussels Commission that within seven-10 days the U.S. will re-introduce the trigger price mechanism for fixing import prices. Throughout most of this year EEC steel sales to the U.S. have been hit by uncertainty surrounding anti-dumping suits against European producers lodged by the U.S. Steel Corporation, but these will be withdrawn as the trigger price is restored.

It has been negotiating since February with the consortium, headed by A. P. Moeller, which has a 50-year exclusive concession to the Danish sector, for changes in the terms of the concession.

The Government is understood to want areas returned to the State so that other oil companies may be awarded licences: construction of a State-owned oil pipeline to the Danish coast, enabling revenues from the transit charges; a State right of first refusal to offers of oil produced.

The governing Social Democrats are dissatisfied that the concession to the consortium, signed in 1962, provides only for an 81 per cent royalty and income tax at the standard rate of 40 per cent, which means State revenue is considerably less than if Norwegian or British concession terms applied.

Generally, the quotas allow for a progressive rise, but the final 1982 quotas have been set below those for 1981. This was done at the Chinese request because, with this agreement coming so late this year, they feared they would not be able to use all of the 1980 quota.

Danes reject Polish coal payment plan

By Hilary Barnes in Copenhagen

A DANISH energy delegation has rejected a Polish demand for pre-payment of Dkr 6bn (5447m) for coal deliveries from 1984, when contracts for coal supplies expire. The delegation is in Warsaw to discuss a new contract.

Denmark imports half its coal — about 4m tonnes a year — from Poland.

Since the 1974 oil crisis about two-thirds of Denmark's electric power generation has been coal based. A member of the Danish delegation was quoted as saying that, although the terms offered by the Poles were not acceptable, he expected Denmark would still be importing Polish coal after 1984.

The Government plans to introduce legislation to secure greater control of oil and gas resources in the Danish sector of the North Sea.

It has been negotiating since February with the consortium, headed by A. P. Moeller, which has a 50-year exclusive concession to the Danish sector, for changes in the terms of the concession.

The Government is understood to want areas returned to the State so that other oil companies may be awarded licences: construction of a State-owned oil pipeline to the Danish coast, enabling revenues from the transit charges; a State right of first refusal to offers of oil produced.

The governing Social Democrats are dissatisfied that the concession to the consortium, signed in 1962, provides only for an 81 per cent royalty and income tax at the standard rate of 40 per cent, which means State revenue is considerably less than if Norwegian or British concession terms applied.

William Chislett in Mexico City on potential in the tourist industry Small market already pays dividends

WHEAT HAVE Mexico and Hawaii in common, the former being a giant country in comparison with the tiny Pacific islands which are little more than specks on a world map?

According to the World Tourism Organisation, the two places take in a 1.4 per cent share each of the world tourism market. While this is more than satisfactory for Hawaii, it is a sharp reminder to Mexican tourism officials of just how important tourism can be to their own economy but also of just how far they have to go to enjoy the benefits that have accrued to Hawaii.

Nevertheless, despite the relatively small number of holiday-makers who come to Mexico, the country's tourism industry is already playing a vital role in the development of the economy. This year, 4.6m tourists are expected to visit Mexico, 85 per cent of them from the U.S. and most of the others from Japan and Europe.

After Mexico's oil and gas exports, forecast to earn \$12bn this year, tourism is one of the country's main foreign exchange earners.

According to the Banco de Mexico, in the first quarter of this year the 1.1m tourists who visited Mexico contributed \$522m of the total current account revenue of \$6bn.

The number of holidaymakers was 7 per cent more than the same 1979 period, and their expenditure rose by 38 per cent.

Tourism's net contribution to the current account was \$359.4m since Mexicans spent \$162.6m abroad, compared with \$114.9m in the first three months of 1979.

However, if visits by Americans to Mexico's popular border towns are included in the tourism balance sheet, then the net contribution to the current account increased by \$109.6m to \$469m.

Nevertheless, Mexico's huge tourism potential is largely untapped, despite its abundance of sun, cheap accommodation,

political stability and varied landscape. Added to this is petrol at an equivalent of 25 UK pence per gallon for ordinary grade and 37p top grade.

And, since cheap charter flights have started to cross the

On the Caribbean coast there is Cancun, which 10 years ago was a sleepy fishing village with a population of just 121 and today is a bustling resort with 40,000 residents and skyscraper hotels. Inland from Cancun, on the Yucatan Peninsula, are the

Development Fund, is providing 90 per cent of the resources for private bank credits to hotel developers at favourable rates.

Private banks can borrow from Fonatur at interest rates that are several percentage



Las Gatas beach, Zihuatanejo Bay, Mexico.

renewed Mayan ruins.

The Government's tourism goal is to attract 8.5m visitors by 1985 to build 172,000 new hotel rooms for a total of 420,000 and to create 1.2m new jobs in the tourism industry. This would bring the total of tourism related jobs to 2.2m.

Because of the magnitude of Mexico's social problems, the country's highly labour-intensive tourism sector assumes great importance. Every new hotel room built means a new permanent job. There are an estimated 5m Mexicans without a permanent job.

If the plan's goals are fulfilled, then tourism will contribute 6.9 per cent of gdp against the present 5 per cent. In the plan to forge ahead with the order, Fonatur, the Government's National Tourism

U.S. defends China textile pact

BY DAVID BUCHAN IN WASHINGTON

U.S. Administration officials have sought to defuse domestic industry criticism of last week's textile pact with China, the fifth largest supplier to the U.S., by emphasising that it guards against sudden surges in Chinese imports and that the 1980-82 quotas give China less than it asked for.

But the agreement, officials admit, is more generous than the unilateral quotas it replaces. Initial textile talks with China broke down in May last year, and the U.S. then imposed its own unilateral curbs on Chinese shipments.

The pact is described as similar to those the U.S. has with other countries under the Multi-Fibre Arrangement. But China does not subscribe to the MFA, and U.S. officials say much of the past year or so was spent explaining to Chinese negotiators intricacies of MFA-type agreements.

The new textile agreement, which was signed last week in conjunction with others on civil aviation, shipping and consular services, covers six categories of Chinese exports to the U.S. — worth about \$119m a year or 85 per cent of total Chinese

apparel exports to the U.S.

It establishes annual quotas for the six categories, backdated to January, 1980, and extending to the end of 1982, and allows for some flexibility in the transfer of unused quotas by China between the various categories and between years.

Generally, the quotas allow for a progressive rise, but the final 1982 quotas have been set below those for 1981. This was done at the Chinese request because, with this agreement coming so late this year, they feared they would not be able to use all of the 1980 quota.

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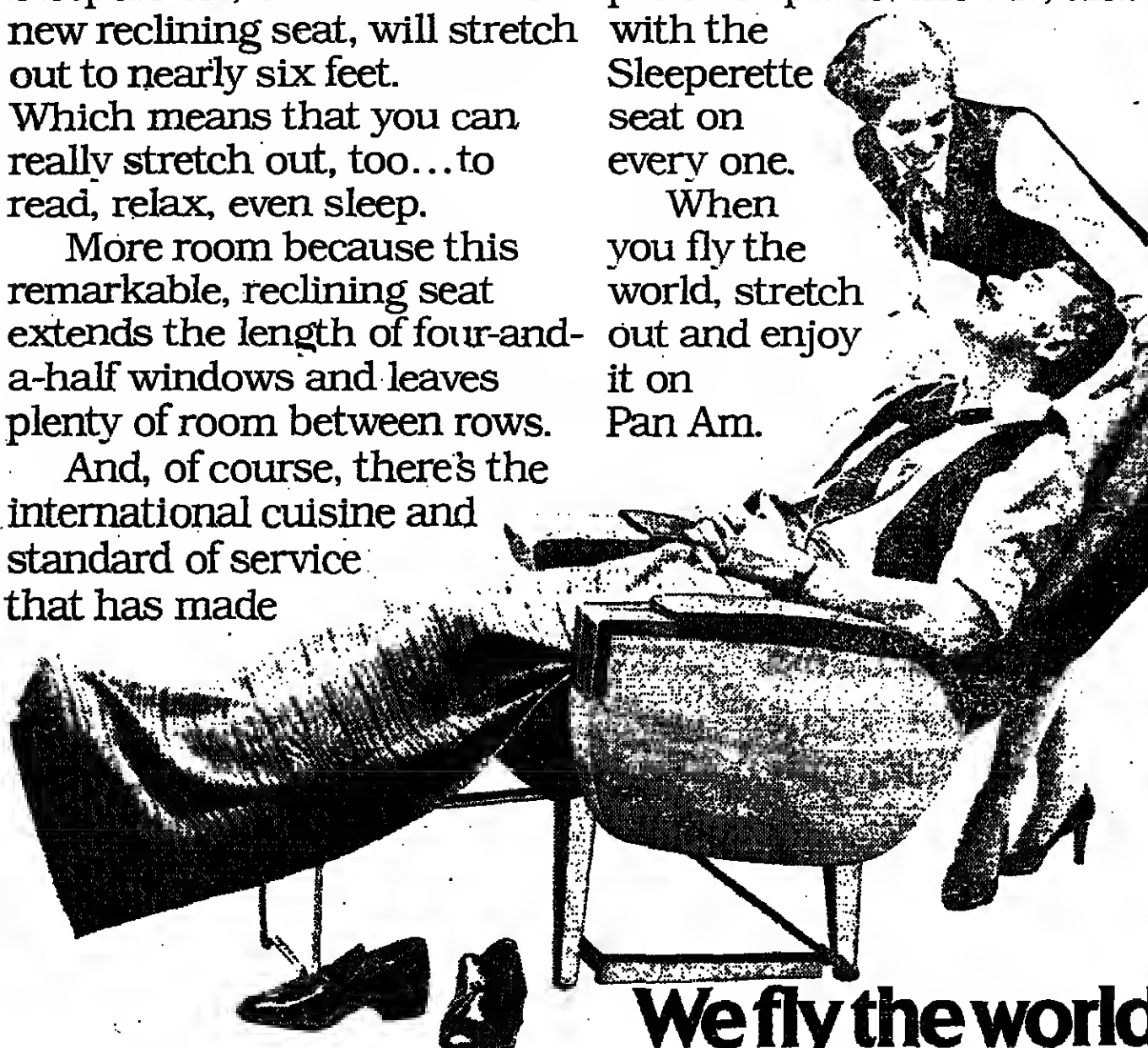
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India offers more concessions to exporters

By K. K. Sharma in New Delhi

THE INDIAN Government has announced significant policy changes which amount to concessions to industrial sectors that use production capacity for export.

Licensing restrictions on these plants, including those covered by the Monopolies and Restrictive Trade Practices Act (MRTP), which bans them from expansion, will be lifted if output is meant for export. To this major change is added the decision that higher royalty rates will be allowed for imports of technology used to increase production for export. At present, the limit on royalties paid to foreign collaborators is 5 per cent.

These decisions amplify the liberalisation of licensing restrictions on expansion of the so-called monopoly houses announced in the Government's first industrial policy statement about two months ago. Under this policy, the monopoly houses were allowed to expand by 25 per cent in five years in 34 sectors of industry.

The concessions follow the submission of a report on the export strategy for the 1980s. Its suggestion that companies covered by the MRTP Act should be referred to a committee for examination of their export performance has also been accepted.

All other industrial units will now be allowed to expand production capacity automatically — without having to apply to the industrial licensing authorities — on the condition that the extra capacity is used for exports. No limit for the expansion has been fixed.

Another substantial concession given to exporting sectors is that they will be allowed to manufacture variations of products if the export order requires this, thereby relieving companies of the requirement of going through cumbersome licensing procedures.

The Government has also liberalised the policy on import of technology and this will be considered more sympathetically in cases where lump sum payments are involved. To give greater choice of technology to producers, royalties of more than 5 per cent on export sales will be permitted. Again no limit has been placed on the royalty payment involved.

The decisions follow the heavy trade deficit of more than Rs26bn (\$1.4bn) in 1979-80 and fears that the gap will rise to Rs40bn in the present financial year unless the rate of growth of export rises significantly.

Hurricane aid

VEGETABLE SEEDS worth £10,000 have been sent to the Windward Islands by a company of merchants at Boston, Lincolnshire, to help farmers recover from Hurricane Allen. The 24-tonne consignment includes cucumbers, tomatoes, melons, peppers and lettuce.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1975=100); retail sales value (1975=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.									
	Ind. prod.	Mfg. output	Eng. orders	Retail vol.	Retail value	Unempl.	Vacs.		
1979									
1st qtr.	110.4	102.5	98	100.4	133.8	1,251	234		
2nd qtr.	114.8	107.0	107	106.9	144.5	1,299	256		
3rd qtr.	112.6	103.1	99	99.9	143.8	1,268	247		
4th qtr.	112.5	103.8	106	101.0	151.0	1,286	230		
1980									
1st qtr.	110.4	100.6	98	102.4	155.7	1,379	193		
2nd qtr.	108.1	97.1	97	100.5	160.0	1,492	180		
3rd qtr.	110.4	101.0	97	103.1	157.5	1,383	191		
4th qtr.	109.0	98.2	105	101.8	158.4	1,414	181		
1st qtr.	106.5	97.9	93	101.3	159.7	1,458	169		
2nd qtr.	106.1	96.3	95	99.7	158.9	1,484	163		
3rd qtr.	107.1	97.2	96	100.7	161.1	1,535	147		
4th qtr.	106.4	96.7	96	99.0	159.6	1,606	126		
1st qtr.				100.5		1,686	120		
2nd qtr.						1,704	112		

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mfg.	Textile mfg.	Hous. starts
1979							
1st qtr.	103.9	99.1	127.0	98.7	98.4	100.0	12.9
2nd qtr.	108.8	102.7	133.1	102.6	110.0	103.4	21.3
3rd qtr.	105.9	95.9	132.3	94.7	103.8	100.6	21.0
4th qtr.	105.0	101.0	129.5	98.3	102.6	95.0	18.1
1980							
1st qtr.	104.8	101.5	124.2	99.2	90.3	91.9	12.3
2nd qtr.	100.1	92.1	122.2	96.2	83.6	88.1	16.2
3rd qtr.	105.0	103.0	121.0	101.0	95.0	92.0	11.4
4th qtr.	102.0	98.0	124.0	95.0	64.0	83.0	12.2
1st qtr.	101.0	97.0	121.0	95.0	81.0	83.0	15.0
2nd qtr.	98.0	96.0	122.0	93.0	83.0	85.0	17.0
3rd qtr.	101.0	96.0	124.0	93.0	92.0	86.0	16.6
4th qtr.	102.0	97.0	122.0	94.0	85.0	88.0	13.4

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms of trade	Resv. US\$bn
1979							
1st qtr.	109.0	116.9	-1,692	-965	-235	108.8	16.78
2nd qtr.	125.3	128.9	-225	-28	-28	106.2	16.9
3rd qtr.	129.8	128.1	-492	+5	-158	106.5	23.18
4th qtr.	129.3	128.9	-785	-639	-157	103.5	25.54
1980							
1st qtr.	122.2	126.5	-632	-162	-126	100.5	24.87
2nd qtr.	128.6	124.5	-301	-68	-29	102.3	26.96
3rd qtr.	129.2	123.0	-222	+20	-5	100.4	28.01
4th qtr.	128.8	128.4	-303	-225	+26	99.0	28.01
1st qtr.	129.8	126.8	-1	+77	-23	102.0	28.28
2nd qtr.	129.1	124.4	+3	+30	-30	103.5	28.17
3rd qtr.	129.8	118.5	+261	+336	+102	103.8	28.27
4th qtr.	127.1	120.9	+63	+138	+10	105.2	28.29

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; BP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank adv. £m	DCE %	BS inflow	HP lending	MLR %
1979							
1st qtr.	7.2	8.4	32.5	+1,296	777	1,561	13
2nd qtr.	5.2	15.6	28.5	+2,628	777	1,687	14
3rd qtr.	12.0	11.2	13.2	+3,642	833	1,379	14
4th qtr.	14.4	15.6	22.6	+2,977	839	1,984	14
1980							
1st qtr.	-4.0	7.5	21.9	+1,724	634	1,974	17
2nd qtr.	-1.5	10.7	22.2	+3,215	607	1,972	17
3rd qtr.	-6.9	8.1	22.6	+705	265	1,968	17
4th qtr.	-6.7	6.5	20.7	+270	190	1,968	17
1st qtr.	-2.3	8.3	35.4	+716	280	1,961	17
2nd qtr.	-4.0	5.9	18.8	+702	265	1,975	17
3rd qtr.	4.0	12.6	21.3	+1,147	285	1,975	17
4th qtr.	-4.9	12.7	23.8	+1,385	266	1,975	17
1st qtr.	11.7	36.5	50.8	+3,482	340	1,975	16
2nd qtr.	11.3	40.8	48.4	+2,016	307		16

INFLATION—Indices of earnings (Jan. 1975=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1982=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Wholesale mfg.*	RPI*	Foodst.*	FT* commodity	Strlg.
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	208.88	64.6
2nd qtr.	147.3	183.3	188.0	215.5	225.2	232.55	67.4
3rd qtr.	154.2	189.9	176.4	231.1	231.9	231.68	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	235.13	68.8
1980							
1st qtr.	167.7	197.2	191.4	248.5	247.5	244.47	72.4
2nd qtr.	178.9	201.3	199.0	263.2	255.9	257.45	73.8
3rd qtr.	167.3	197.6	181.5	248.8	246.7	254.27	73.3
4th qtr.	172.5	200.4	194.3	252.2	251.1	254.47	72.6
1st qtr.	175.0	202.3	197.0	260.8	254.1	275.67	72.6
2nd qtr.	178.1	200.4	199.0	263.2	255.7	268.23	74.3
3rd qtr.	183.7	201.1	201.4	267.7	257.9	262.45	74.4
4th qtr.	183.0	201.5	202.5	267.6	258.9	275.57	74.7
1981							
1st qtr.	201.3	203.7	205.5	283.0	283.0	275.98	76.2

* Not seasonally adjusted.

UK NEWS

BL cuts technical spending by £16m

LEYLAND VEHICLES, BL's bus and truck subsidiary, has cut by £16m the £38m it originally intended to spend on its new technical centre and test track at Leyland.

The cutback emerged yesterday at the formal opening of the centre by Sir Keith Joseph, which also saw a plea from Mr. Industry Secretary, an event David Abell, managing director of Leyland Vehicles, to Sir Keith for more home market protection for the UK commercial vehicle industry.

Mr. Abell said after the opening ceremony that the decision to reduce spending on the centre was made partly because of the change in market conditions, but mainly because Leyland simply did not have the cash available.

Mr. Abell, at the formal ceremony, and the unions represented at Leyland at a private meeting later, made it clear to Sir Keith they want

more protection for the industry. Mr. Abell called for "fairness in the condition we face when trading with our international trading partners."

"There are no restrictions placed in their way when they introduce a new model here although they and we face months of delay when trying to export to many of their countries."

Behind these remarks is the fact that the UK alone among the major manufacturing countries in Europe does not have its own technical tests for commercial vehicles.

This makes it much easier for Continental manufacturers to switch vehicles to the UK during recessions rather than other EEC countries.

For example, it took Leyland 18 months to get one vehicle through the French-type approval tests whereas a similar Renault truck took only a few weeks to get into Britain.

Shareholders to get £100 discount on any BL car

BY JOHN GRIFFITHS

BL'S REMAINING 85,000 private shareholders are to receive a rather different form of rights issue—a £100 discount on any BL car.

All shareholders on the register as of May 15 are entitled to the discount, which is additional to any others on offer.

Currently, with a fierce battle being waged for sales many customers have been able to negotiate substantial discounts with individual dealers. But in addition BL is already operating a price-cutting campaign in which up to £500 extra is being offered off some models.

Thus, under the new scheme, called ShareDis (shareholder discount), a shareholder would be able to save—on a £6,200 Princess 2200, for example—whatever he can negotiate with the dealer, plus £500 under the price-cutting scheme and an extra £100 as a shareholder.

The scheme does not, however, apply to BL's biggest shareholder, the Government, which has held 99 per cent of BL's equity since 1975.

It is being launched as part of an intensified sales drive which gets under way at the

start of October with the launch of the Metro, the small car on which BL's survival as a volume manufacturer depends.

But it will extend beyond short-term promotional campaigns: from next May, holders for more than six months of 1,000 or more shares in BL will continue to be entitled to the discount.

There has been spasmodic pressure on BL from the government to adopt such an incentive for a long time. It took the steep down-turn in the car market this year to provide the catalyst.

Shareholders were told of the discount scheme in the half-yearly accounts at the start of this month. The documents they received thus varied slightly from those made public when BL revealed its half-year loss of £180m.

"But we felt this was one scheme where we had to tell the shareholders first," a BL spokesman said yesterday.

Shareholders wanting to take up the discount must send an application to BL itself, which will provide a letter of authority which the shareholders can then present to the dealer.

Westward awaits verdict by broadcasting authority

BY ARTHUR SANDLES

THE INDEPENDENT Broadcasting Authority will decide today how to respond to a request from Lord Harris of Greenwich for backing in his battle with Mr. Peter Cadbury over who is to run Westward Television.

The authority has managed to remain detached from the arguments so far, but today will have before it a draft response to a direct request for intervention from Lord Harris. Present indications are that it will deliver what one interested observer termed "a rap on the knuckles rather than a slap on the wrist" to all concerned.

Lord Harris was elected chairman of Westward in a palace coup in the late summer. Since then, Mr. Cadbury, the man whom Lord Harris replaced and the largest voting shareholder and driving force behind the creation of Westward, has been striving to regain the chair.

The authority has almost total ultimate power over commercial television companies. Certainly,

it has the right of veto over board appointments. Supporters of Lord Harris hope that it will indicate its unwillingness to endorse changes in the boardroom which might result in the pre-eminence of Mr. Cadbury and his supporters.

However, the authority seems inclined to reply by insisting that Westward put its own house in order and add a thinly hidden demand that this be done with some rapidity. Its own ultimate weapon is the immediate withdrawal of the Westward franchise—a move which is unlikely but, with two rival contenders eager to take up the reins, not impossible.

Lord Harris' case to the authority against Mr. Cadbury is heavily drawn from Mr. Cadbury's own affidavit to the High Court this month when both parties were seeking court support for their actions in the dispute. In the affidavit, Mr. Cadbury gave a detailed account of what for him and Westward has been an eventful year.

Burne-Jones tapestry fetches £90,000

SOTHEBY'S BELGRAVIA yesterday held its first auction devoted to costumes and textiles. These ranged in date from 1500 to 1960. Among the German dealer paid £90,000 for the tapestry Summoned to the Quest by a Strange Damsel, designed by Sir Edward Burne-Jones in the 1890s and woven by Morris and Company at Acland Abbey.

It is 7 ft 10½ ins high and 17 ft wide and was one of a set of five commissioned by George "Digger" McCulloch, an Australian mining engineer. Burne-Jones will have to pay an additional 11.5 per cent in buyer's premium and VAT. In 1978 three tapestries, on the same theme and made for William Darcy, another Australian magnate, sold at Sotheby's for £40,000, £28,000 and £26,000 respectively.

The sale totalled £148,786 with only 1.1 per cent bought in the Victoria and Albert Museum bought, among other lots, a William and Mary gentleman's jacket of the 1680's for £2,900, the Museum of London acquired a 1901 book of dress samples, for £180; and Castle Howard paid £600 for a rare, early-18th century damask hazy with "Persian" brocade. A 1930 blue-sequined evening-dress sold for £400 and an early 1850s, Jacques Path strapless evening-dress for £190.

A bottle of 1803 Château Lafite, stored under excellent conditions in the cellar of a French restaurant, sold for £7,000 at Sotheby's yesterday. A bottle of the same vintage had been tasted in 1987 by André Simon and Edmund

SALEROOM

BY ANTHONY THORNCROFT

Penning-Rowell and declared "excellent." A Château Lafite 1822 made £3,500.

In the same sale of fine and rare wines and spirits, 64 dozen bottles from the stock of Château Cheval Blanc, 1947, considered by many to be the finest claret produced this century, went for £54,000, with prices ranging between £800 and £1,100 a dozen. A Comet magnum of 1811 cognac (comet years are supposed to produce great vintages) sold for £700. At Christie's a pair of little-used 12-bore side lock ejector guns, by Boss, was bought by an American collector for £16,000. They were built in 1917. At Christie's, South Kensington, a painting of barges on the Medway fetched £750.

Shell plans to drill in New Forest

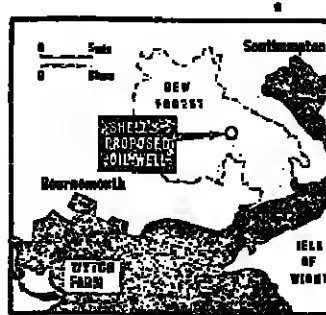
BY RAY DAFTER, ENERGY EDITOR

SHELL UK is planning to drill for oil and gas in the middle of the New Forest.

The drilling site, in a Forestry Commission clearing, is about two miles south-east of Lyndhurst, Hampshire. Shell said that, provided the necessary planning permits were granted, a well would be sunk to about 6,000 feet at a cost of more than £500,000.

The company expects to spend at least two months in consultations with Hampshire County Council, the New Forest District Council, and other interested organisations, before submitting a planning application. The exploration project will not be started until next year.

The company said that if oil or gas is found, additional plan-



ning permission might be sought for appraisal drilling. The application is part of a new attempt by Shell to search for hydrocarbons on land as well as on the UK Continental Shelf.

In May, Shell said it was applying for planning permission to drill two sites on the north of Lyndhurst—one at School Farm, near Butt's Green, Lockerley in Hampshire and the other on Forestry Commission ground at Hawkes Grove, five miles south-east of Salisbury in Wiltshire. Planning permission has already been given for the second of these projects.

Like other oil groups, Shell is taking a keen interest in the onshore potential for oil and gas finds. The industry has been encouraged by the discovery of the sizeable British Gas/British

oil field in excess of £400,000. The purchase, made in association with other members of the drilling consortium, will clear the way towards future oil field development work.

Mr. John Leonard, chairman of Carless, said yesterday that arable farming would continue on the site. The sale price was representative of local agricultural land prices.

Marine Petroleum, one of the partners in the Humby Grove field, said recoverable reserves could be between 16m and 21m barrels. Additional drilling on a possible eastern extension of the field could result in a doubling of recoverable reserves.

A field with 40m barrels would be small by North Sea

standards (BP's Forties Field contained 1.8bn barrels of recoverable oil) but it would still be an attractive prospect given current oil prices and comparatively low development costs.

Carless is conducting a seismic test of the area to help it reinterpret previous geological data. It is also preparing to start a production test with a pump fixed on the discovery well.

Early next year the group, which also includes Hudson Oil, Cambrian Exploration (Candeca), St. Joe Petroleum and CanDel, plans to drill appraisal wells.

Other exploration ventures planned by Carless include a well at Yarnbury, Wiltshire, to be started next month, and a well at Rogate, Sussex, to be drilled early next year.

Texaco to share cost of exploration

By Our Energy Editor

A GROUP of North Sea exploration companies, led by British Petroleum, has agreed to share with a neighbouring licensee—Texaco—the costs and revenue from the Buchan Field development.

The Buchan Field in the BP group's block 21/1a, 9½ miles north east of Aberdeen, is thought to spill into Texaco's 20/55 concession. It is currently estimated that 5.134418 per cent of the reserves lie in Texaco's block.

As a result Texaco will have to pay its share of development costs—£9.55m out of a total bill of £186m. It will also receive the same percentage of revenue from the oil production due to begin in November.

BP said the percentages were not final. They may be altered in the light of new field data, including information gained by Texaco when it sinks a well in block 20/5a later this year. The exact size of the field is unknown, in view of the unusual nature of the reservoir rock. Industry estimates are that the field could contain between 50m and 200m barrels.

Working interests in block 21/1a are: BP (54.166 per cent), Sir Joe Petroleum (14 per cent), CanDel Petroleum (14 per cent), Transworld Petroleum (14 per cent), Gas and Oil Acreage (2.5 per cent), Charterhall (0.33 per cent) and Lochiel Exploration (1 per cent).

Prudential profile No.5: Kenneth Fleet reporting



Kenneth Fleet, leading financial journalist and City Editor of the Sunday Express, talks to Eric Chapman, Prudential Chief Surveyor, and Duncan Hall, Chief Executive, Corby District Council, on site in Corby.

"On site with the Prudential at Corby, I find a sign of hope for a town's future."

The Prudential is the largest property investor in the United Kingdom, with a portfolio currently valued around the £2 billion mark. How does the Prudential handle its responsibilities as a developer and a landlord? Kenneth Fleet visits Corby, where the Prudential, in partnership with Corby District Council, are about to construct a series of small factory units on a 2.5 acre site on the Oakley Industrial Estate. In the first phase, the Prudential and the District Council will be developing a total of some 50,000 sq. ft. in units of approximately 1,500 to 3,300 sq. ft.

Kenneth Fleet: The steel industry is going through a difficult time, and nowhere more than in Corby. You are financing new factories in what threatens to become a depressed area. Why?

Eric Chapman: (Prudential) Industry in this country needs a lot of re-equipment, and that includes the factories—which we are building in many other places—to house it. Why did we come to Corby? Primarily, because we think this scheme will be a good long term investment for our policyholders' funds. That must be our first consideration. Secondly, Corby is an area where it must be good for the nation if we can create new small industries. We hope many of them will expand, and provide more jobs.

Fleet: When did the Prudential decide to become involved?

Chapman: Corby District Council put this

2½ acre development out to tender. Our Surveyors produced a report in February and it was approved by the Prudential Board in March. We hope to start work on the ground very soon, and to have factory units available as soon as possible.

Fleet: Mr Chapman, what is your role?

Chapman: My responsibilities cover all the Pru's property assets. I have a first-class estate department with two deputy chief surveyors, about 100 qualified surveyors, architects, engineers and so on.

Fleet: You are not merely property investors but developers, managers, architects....

Chapman: Our philosophy, ever since we started investing in property in 1864, has been to do the whole job ourselves because we think that a landlord should have a very close relationship with his tenants. We want our tenants to feel that they can always approach us if they have any problems.

Fleet: You made a fast decision on Corby. Is this characteristic of the property department of a large insurance company?

Chapman: We, certainly, are geared to give prompt decisions. Where the issues are more complex, or involve very large sums of money, and we have to go higher up the Prudential scale, a very quick decision is always available.

Fleet: How far is Corby Council involved?

Duncan Hall (Corby District Council):

We wanted to provide small advance factory units at Oakley Hay, starting with 20 units of from

1,500 sq. ft. to 3,000-3,500 sq. ft., to attract the smaller businesses in the locality. With the help of our agents, we have already reserved half of them for engineering, servicing, manufacturing and warehousing. We see our involvement as a partnership with the Prudential. We are responsible for the management and for letting the units, and Drivers Jonas are acting for us.

Fleet: Is it a good idea to have this kind of co-operation between a local authority and a commercial company?

Hall: It's essential, in terms of the need to provide development in a place like Corby, where unemployment is likely to exceed 25%. Corby needs renewed confidence in itself.

Fleet: Has the Prudential's arrival stimulated interest among other companies?

Hall: Yes, indeed. The Prudential's willingness to invest in Corby shows the confidence of a major investor in the town's future.

The Prudential's annual report is available from the Publicity Department, Prudential Assurance Company Limited, 142 Holborn Bars, London EC1N 2NH.

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UK NEWS

Treasury committee to summon Chancellor

By Elinor Goodman

THE CHANCELLOR and the Governor of the Bank of England are to be summoned to appear before the all-party committee on the Treasury, to explain what chance there is of the Government achieving its monetary targets.

At a special private session of the committee yesterday, held to review events since the beginning of the Parliamentary recess, the general feeling seemed to be that the Government's monetary policies were badly off course.

There was considerable pessimism about the chances of getting the strategy back on target. The meeting was held at the request of both Labour and Conservative MPs alarmed by the signs of the deepening recession and of the jump in the money supply this summer in particular.

After reviewing the published data with their advisers, they decided to ask for more private papers from the Treasury.

They also agreed it was essential that they should see the Chancellor and the Governor again as soon as possible.

The committee, which has already clashed once with the Chancellor, has previously avoided an examination of policy. But some members believe that such restraint will be difficult to maintain.

The Chancellor is likely to reassure the committee that the money supply figures, although above the target rate at present, will come into line as public sector borrowing falls later this year and bank lending to companies decreases.

But the committee is likely to ask why the figures have gone astray and who is responsible.

Tax charges

THE TAX charge on cash held in building society investors' accounts will be around £1,376 in 1980 not £13.7m as stated in yesterday's edition of the Financial Times. But for changes in the tax structure announced in the last Budget, the bill would have been nearer £13.1bn, not £13.1m as stated.

Nuclear weapon cost soars to £1bn

BY DAVID FISHLOCK, SCIENCE EDITOR

THE COST of Britain's £1bn nuclear weapon Chevaline has risen four-fold during its five years of development, according to a book on nuclear weapons published today by Chatham House.

Dr Lawrence Freedman, head of policy studies at the Royal Institute for International Affairs, says the Atomic Weapons Research Establishment at Aldermaston, got into serious difficulties in managing the project.

Chevaline, a new "front end" for the 64 Polaris missiles in Britain's strategic nuclear deterrent, was approved by the incoming Labour Government early in 1974, at an estimated cost of £250m.

By early 1976 the cost had risen to £450m and my mid-1977 to £800m.

The project was finally extricated from its troubles by Mr. David Cardwell, who became director of Aldermaston in 1978. Mr. Cardwell

has subsequently been appointed chief of the procurement executive at the Ministry of Defence.

Chevaline is a complicated package of liquid-fuelled rockets, some equipped with nuclear warheads and others designed as electronic decoys to confuse an enemy anti-ballistic missile defence system. British Aerospace was closely involved in its development.

Mr. Francis Pym, Secretary

for Defence, announced in January that the Chevaline project had been successfully completed at a cost of £1bn. It is being fitted to the 16 Polaris missiles of HMS Renown, the first of the four Polaris vessels to be updated with the new weapon.

Chevaline is designed to serve throughout the 1980s, until Britain is ready to introduce the U.S. Trident missile with a new British nuclear warhead, in a fleet of nuclear-powered submarines.

About one third of the cost of Chevaline has been spent in the U.S., Dr. Freedman estimates. This includes five underground nuclear tests, from May, 1974, when Britain restarted nuclear weapon tests after an interval of nearly nine years.

It also includes the cost of eight test firings of updated Polaris missiles from Cape Canaveral in 1977-79. Dr. Freedman believes that the nuclear weapon itself was less of a development problem

than were the mechanisms for manoeuvring the Polaris front-end in space and guiding it towards its target. But he adds that there has arisen a practical resource problem at Aldermaston, which is still recovering from the closure of some capacity and the resignation of key staff after a plutonium scare in 1978.

Britain and Nuclear Weapons by Lawrence Freedman, Chatham, £3.25, 180 pp. **Lambert, Page 14**

Castle diaries scorn 'alien' Callaghan

BY JOHN HUNT

MRS. BARBARA CASTLE, in her diaries published today has harsh words for Mr. James Callaghan, who sacked her from her post as Social Services Secretary in 1976, when he became Prime Minister.

She attributes her dismissal to Sir Harold Wilson "suddenly pulling the rug out from under everyone's feet" by his unexpected resignation of the Premiership in the spring of that year.

This, she says, opened the door of Number 10 for "the election of an alien Right-winger" as Prime Minister and Leader of the Labour Party.

Mrs. Castle, who is now leader of the British Labour group in the European Parliament, discloses that she backed Mr. Michael Foot against Mr. Callaghan for the Premiership, with Mr. Denis Healey as her second choice.

When Mr. Foot became deputy leader, she made it clear to him she wanted to stay on as Secretary of State until the pay heads legislation went through and she could go with dignity, "not just sloughed off in a mass reshuffle."

But almost immediately Mr. Callaghan sent for Mrs. Castle, then 64, and told her he wanted her resignation to reduce the average age of the Cabinet.

Mrs. Castle refused the Prime Minister's request for a letter stating she was resigning to make way for someone younger. The appointment of Mr. David Ennals to succeed her provoked another bitter entry in her diary.

"I am deeply hurt by Jim's cavalier discarding of me like so much old junk. I know—and have always known—that I am one of the best ministers in this Government and certainly the toughest fighter for our party's policies. I am at the peak of my powers. To turn me out for Ennals—really!"

She has scathing remarks about other Cabinet colleagues. Mr. Anthony Wedgwood Benn is a "maddening mixture of the bogus theoretician and the genuine visionary."

She describes Mr. Healey's wined-up speech in the economic debate of March 1976 as "arrogant, offensive and near-hysterical" and comments: "He must have gone off his rocker."

Dr. David Owen is credited with a great deal of natural charm; spoilt by "sudden flashes of insolent arrogance—just like Roy Jenkins."

The Castle Diaries, 1974-76, by Barbara Castle, Weidenfeld and Nicolson, £14.95 (in review in the FT on Saturday).

● The Labour Party is criticised in a young Fabian Society pamphlet published today for lacking a coherent philosophy on wealth creation in industry. The author, Mark Goyder, a personnel manager in the paper industry, says the party programme makes much of investment and planning and the strengthening of the trade unions.

Socialism tomorrow, Fresh thinking for the Labour Party. Young Fabian Pamphlet No. 49, 90p.

One Doulton closure is halted

By Elaine Williams

ONE OF five companies planned to be closed in the Royal Doulton Group, its china and glassware subsidiary of S. Pearson, is to be saved.

About 200 workers will keep their jobs at Adderley floral works, Longton, Stoke-on-Trent, following talks between management and unions.

Two weeks ago Royal Doulton announced a 10 per cent reduction in the workforce—a cut of between 900 and 1,000 jobs—because of depressed world markets. There has been short-time working in the workforce for several months. This will continue.

Three tableware factories will be closed, as well as crystal glass plant at Tuthury, near Derby.

About 7,000 workers at three London Brick Company production yards in Cambridgeshire, Buckinghamshire and Bedfordshire are to go on short-time. Production is to be cut by 20 per cent because of the recession in house-building, at its lowest level for 30 years.

A work-sharing scheme is being agreed with unions and management. The company said there were no plans to cut jobs.

Up to 60 jobs are to be created at Tootal's factory at Newtown, Mid-Wales, over the next 10 months, as a result of the transfer of handkerchief manufacture from Manchester.

The Newtown factory, which manufactures Tootal ties, scarves and cravats, has already taken on some 70 additional staff since the New Year. It is expected that by next June the labour force will reach 250.

Mansfield Shoe Company, part of the Norvic Securities group, has received a "late influx" of orders for women's autumn footwear. Its 450 workers are to go on full-time working at the start of next month for the first time since April.

Only two weeks ago Norvic Securities announced a group pre-tax loss of £250,000 for the first half of this year. It was revealed that the Mansfield women's footwear factory had made an operating loss of more than £300,000 in the period, with losses still being suffered. Fall-off export orders for the EEC, because of the strong pound and the UK recession, had led to an 80 per cent drop in Mansfield's autumn order-book.

Norvic said yesterday that the revival in orders appeared to have been confined to the women's footwear sector, with most of the demand coming from the domestic market.

Peugeot reorganisation threatens Talbot jobs

BY TERRY DODSWORTH IN PARIS

PEUGEOT, the French motor group, yesterday announced the effective dismantling of its Talbot subsidiary as part of a far reaching reorganisation of the group aimed at halting its dramatic sales decline this year.

Explaining the change of policy at a Press conference yesterday, M. Jean-Paul Parayre, chairman of Peugeot, made it clear that these measures are likely to be followed by redundancies in the Talbot manufacturing operation both in the UK and in France.

The move means a virtually entire reversal of the plans developed by Peugeot when it bought Talbot—the former Chrysler Europe—only two years ago.

Contrary to Peugeot's aims at that time, the Talbot distribution network is to lose its separate identity and be merged in with the Peugeot dealership organisation.

Peugeot is to take direct responsibility both for Talbot's component manufacturing subsidiaries and for the overseas car production companies in the UK and Spain, leaving Talbot as a simple design and car assembly operation.

None of these moves affect Citroën, the other arm of the Peugeot group, which has fared relatively better in the widespread market slump in Europe this year.

Citroën has virtually maintained its 6 per cent of European registrations, while both Peugeot and Talbot have slipped about 1 per cent to 4.8 per cent and 4.3 per cent, respectively.

Overstating in Talbot's Poissy plant, near Paris, amounted to between 2,000 and 2,500 workers, he said. There would be an announcement shortly in the UK affecting employees at all levels of the business.

"It is up to the management of Talbot to adapt the work force to the reality of the situation," he added.

M. Parayre, who has come under some fire in the French press in recent weeks, admitted that the group would have a "very bad year" in 1980. It had been forced to re-marshal its efforts, he said, because of the savage downturn in the market and the sharp increase in competition, especially from Japan.

In a bitter attack on the Japanese, he said that they had "abandoned all prudence" in their ruthless decision to export certain industrial products which benefited from the country's individualistic production methods and the under-valuation of the yen.

The main initial impact of the re-organisation will probably be felt in France, where group sales have dropped by 20 per cent this year.

Group abandons Consett rescue

BY ALAN PIKE

THE EFFORT by an independent consortium to rescue the British Steel Corporation's Consett, County Durham, plant was called off yesterday.

After a meeting, the anonymous members of the consortium issued a statement saying that following BSC's decision to cease maintaining the plant they "reluctantly" could take no further action.

On Tuesday BSC turned off the power supply which was necessary to keep the Consett blastfurnaces intact. The consortium had failed to meet the BSC ultimatum that it must identify itself, provide evidence

of its credit worthiness and agree to start meeting the cost of maintaining the plant.

The corporation considered that it could not justify spending some £226,000 a week to keep furnaces warm in the vague hope of a rescue.

The consortium was said to consist of 11 businesses which intended to form themselves into a company called Northern Industrial Group (Holdings). His plan was to slim the Consett workforce by about 800 to around 2,700 and—with the consequent improved productivity—sell billets at highly

competitive prices.

The failure of the consortium's members to identify themselves, however, reduced confidence in their bid. Although the rescue attempt had the support of the Iron and Steel Trades Confederation and Consett workers' representatives, union leaders did not rate highly the chances of its succeeding.

Attention at Consett will turn to the long and difficult search for new jobs in an area where BSC was the only large employer.

Men and Matters, Page 20

Plan to save 200 Stone-Platt jobs

BY ELAINE WILLIAMS

A JOINT rescue plan has been put together by Stone-Platt, the loss-making textile machinery manufacturer, and Oldham Borough Council to save 200 of the 850 jobs due to go when the company's Oldham factory closes in December.

Oldham Borough Council wants to buy Stone-Platt's Hartford factory for £1.25m and lease back a portion of the factory to the company. The rest of the building will be adapted.

This latest initiative comes after several attempts to save

the 13-acre Hartford complex which makes textile machinery. Plans to transfer to Hartford the manufacture of three other products—transmissions, boilers and container refrigeration—collapsed earlier this year.

This would have concentrated textile machinery operations at its Platt Saco Lowell subsidiary in Bolton and Accrington, each employing more than 1,000 people. The idea was abandoned because of poor demand for these products.

Yesterday the council said that 100,000 sq ft of the factory

would be leased to Stone-Platt for £93,000 a year to continue to make transmissions—used in a wide variety of products including textile machinery.

Demand for transmissions has been affected by the UK recession and the low level of activity in the group's textile plants. The company believes transmission manufacture would remain viable on a small scale.

The council said interest was already being shown in the proposal to offer remaining factory space.

Scientists investigate nitrate 'risk' in water

BY ROBIN PAULEY

CONCENTRATIONS of nitrate in water have been slowly but steadily rising in recent years—and research is under way to check the unproved theory that the chemical is associated with an increased prevalence of certain cancers.

The latest report of the Standing Technical Advisory Com-

mittee on Water Quality says that the increases in nitrate have been particularly marked in rivers in southern and eastern England and with borholes in eastern England.

Research is also continuing on the problem of lead in drinking water supplies, the cost of water treatment and lead pipe replacement.

The number of consumers receiving added fluoride in their drinking water has remained static during the last two years—4.5m in England and Wales and 50,000 in Scotland.

A wide range of chemicals—some natural, some man-made—appear in trace levels in water. Recent research has shown that during the purification of water,

chlorine can react with natural organic compounds to form a group of substances, including chloroform, known collectively as trihalomethanes.

Several countries, including the U.S., are introducing control methods because there is some indication of potentially adverse effects to health.

"The evidence is contradic-

tory and inconclusive," the report says. But surveys and research are in progress and some measures may be taken to minimise the formation of the substances "in certain cases."

However, the effectiveness of chlorination of water as a public health measure had been amply demonstrated over the last half century.

Men and Matters, Page 20

'Appalling parsimony' of UK aid attacked

By Peter Riddell in Bermuda

THE BRITISH Government's attitude towards the Third World and the cutback in the UK's overseas aid programme were criticised sharply by Mr. Shridagh Ramphal, the Commonwealth Secretary-General, at the start of the two-day annual meeting in Bermuda of Commonwealth Finance Ministers.

The clash has arisen specifically out of the UK's decision to cut its contribution to the Commonwealth Fund for Technical Co-operation, but the criticism has broadened out to cover the UK's general approach on Third World issues.

Sir Geoffrey Howe, the Chancellor of the Exchequer, who is chairing the meeting, yesterday quickly moved to try to take the edge off any controversy, while defending the British position.

He emphasised that the conquest of poverty depended not just on the distribution of wealth but also on its creation.

In his opening address, Mr. Ramphal, at one point, endorsed criticisms of the "appalling parsimony" of the rich countries, but in his reply Sir Geoffrey said "that what seemed to some like parsimony reflected the differing contributions of different member countries: with different problems."

The conflicts on the issue of the rich and the poorer countries is likely to form the theme of most of the discussions in Washington next week at the annual meeting of the International Monetary Fund and the World Bank.

Before yesterday's meeting, Mr. Ramphal said he was "surprised and saddened" by the British move to reduce its contribution to the Commonwealth Fund by 20 per cent, from last year's level of £3.75m to a ceiling of £3m.

He contrasted this action with the decision of other Commonwealth countries, notably Nigeria, to raise their contributions to the fund, which promotes project finance and the transfer of technology within the Commonwealth.

The issue is an extremely complicated one, since Britain had traditionally financed around 30 per cent of the expenditure of Commonwealth institutions, but last year for exceptional reasons (partly because of a shortfall in the contributions of other countries) the share rose to 40 per cent.

Britain's decision to cut the annual amount it contributes has been resented by other Commonwealth countries. If the contribution had been maintained, an increased amount subscribed by other countries would have kept the Fund's budget at £11.8m this year.

In his speech at the opening ceremony, Mr. Ramphal several times criticised the British approach on this and other questions, without mentioning the UK by name. He pointed, for example, Canada's announcement last week of resumed growth in its official aid.

Mr. Ramphal painted a very gloomy picture of the outlook for the world economy, and appealed for action next week in Washington to increase the resources of the World Bank.

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UK NEWS

Tighter controls on food sales, urge health officers

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

TIGHTER CONTROLS on food sales, including compulsory licensing of food shops, was called for yesterday by the Environmental Health Officers' Association.

The association's annual report says that with more food being prepared in bulk, one slip in hygiene standards could lead to nationwide problems.

"Often, one of the problems in larger food premises is that for the sake of maintaining a high throughput, hygienic practices are short-circuited or ignored. It is time that these short cuts in hygiene are stopped," says the report.

About 120 food premises had closed voluntarily last year after being advised by the association of a possible risk to public health. A further 18 were closed under an emergency order.

The association suggested that official food poisoning

figures for 1979 were likely to be the worst for 10 years, although the figures would reflect only a tiny proportion of cases since many people with mild symptoms did not consult their doctors.

Local authorities received more than 20,000 complaints last year about the standard of food bought by consumers.

The association believes some form of licensing, or prior approval, was needed for premises selling "high-risk foods" to reduce dangers to the public.

One "very serious omission" in the present hygiene laws was adequate temperature control. This is critical in preventing food poisoning. It should be made obligatory to transport "high-risk foods" in temperature-controlled vans, the association said.

Eloise Williams writes: Public

criticisms of overcharging in the hotel and catering industry were denied yesterday by Mr. Derek Gladwell, president of the Hotel, Catering and Institutional Management Association.

Mr. Gladwell said the rise in average return on capital from 5.6 per cent to 11.9 per cent between 1976 and 1979 was not excessive.

The industry had managed to avoid becoming one which "pays such high wages that we risk following others on to the vicious spiral of high prices, diminishing returns and mass unemployment of the workforce," said Mr. Gladwell.

"We are still able to carry on our businesses without clamouring for Government aid. Particularly in the catering industry, the use of new technology had contributed to greater efficiency, better standards and the maintenance of price levels," he said.

Tory MP criticises Thatcher on quangos

By Elinor Goodman

THE PRIME MINISTER was criticised yesterday for failing to take adequate action against quangos by the MP who claims first to have alerted Mrs. Thatcher and the Conservative Party to the proliferation of such quasi-autonomous bodies.

Mr. Philip Holland, the Conservative MP for Carlton and self-styled "quango-cutter," said the Government's record on cutting bureaucracy during its first year in office had been disappointing.

Mrs. Thatcher had failed to display the "ruthless killer instinct" he said the party had expected.

According to Mr. Holland's latest researches, published by the Adam Smith Institute, the Government has managed to abolish only 290 of the 3,068 official committees in existence.

A further 707 should be shut immediately, he argued.

Prime candidates for the axe, he suggested, would be the water authorities attacked by delegates at this year's Conservative Party conference—the various nationalised industry consumer councils, the Arbitration, Conciliation and Advisory Service and the Monopolies and Mergers Commission.

Also on Mr. Holland's increasingly ambitious death list are the National Enterprise Board, British Shipbuilders and the British Steel Corporation as well as hundreds of little-known organisations like the Government Hospitality Advisory Committee for the Purchase of Wine, and the Treasury Trove Reviewing Committee.

New quangos have started since the Conservatives came to power, he pointed out.

The Quangos Death List, the Adam Smith Institute, 50 Westminster Mansions, Little Smith Street, London SW7.

BA to close Victoria air terminal check-in

BY MICHAEL DONNE AND LYNTON McLAIN

BRITISH AIRWAYS is ending its passenger check-in facilities at London's Victoria air terminal, from November 14, and will also drop its own bus service to Heathrow Airport.

From that date London Transport will run two new services—one linking all three terminals at Heathrow with Victoria and hotels in the Cromwell Road area, and the second linking Heathrow with hotels in the Bayswater/Paddington area.

British Airways said yesterday the number of passengers using the check-in and bus facilities had been declining rapidly over recent years. The decision to end these facilities would save more than £750,000 a year.

The buses would have soon needed replacing at a cost of £1.3m, at a time when the airline needs to reduce its costs in every direction.

Since the Underground rail link into Heathrow opened in 1977, millions of passengers have changed their travel habits.

In 1975-76, the Victoria buses carried 470,000 passengers out to Heathrow, and another 680,000 into town. In 1978-79,

the first year after the Underground opened, the numbers were cut by half.

They have subsequently declined further. In 1964, one passenger in three travelling on BA's long distance flights checked in at Victoria. Last year, the figure had slumped to one in 12, and this year was down even further.

BA said yesterday its decision to close down both check-in and bus facilities at Victoria had been taken because studies showed no evidence of any likely improvements in the trend of declining usage.

Fares for the new airport services will be £2 single for adults and £1 single for children.

The current London Transport single fare by underground train from Victoria to Heathrow Central is £1.60. However, the new bus services are likely to be more suitable for passengers with heavy luggage.

The fare levels are designed to "improve London Transport's financial results," it said yesterday.

London Transport said the new services must at least break even.

Scottish-U.S. venture

BY LISA WOOD

SCOTTISH Heritable Trust, the property company and wholesale distributor of floor coverings and hairdressing supplies, is to sell to retailers in the hairdressing trade in a new joint venture with a U.S. hair care appliance manufacturer.

A new joint company is to be formed in the UK, with a capital base of £300,000, to distribute the appliances, including hairdryers, produced by Sawway Industries, of Florida.

Sawway Industries increased its sales, between 1973 and 1979

from \$4m (£1.6m) to \$42m and, during the same period, its pre-tax profit rose from \$200,000 to \$5m. Scottish Heritable's taxable profits improved from £1.09m to £1.33m in 1979.

The UK company said yesterday that it was satisfied there would be a substantial market for these new products. Before the new venture, the company's hairdressing division only distributed to hairdressers and their suppliers, not retail sales outlets.

More shiftwork likely in 1980

BY GARETH GRIFFITHS

SHIFTWORK is likely to increase in Britain during the 1980s because of the need to make better use of highly capital-intensive equipment and because of trade union pressure for shorter working hours.

A study by the National Economic Development Office, published today, says the pattern of working hours in many UK factories has not changed for years. In some cases a reassessment is due. The proportion of the UK workforce on shifts is lower than other EEC countries, and less than half the figure for Japan.

Dr. Frank Fishwick, of the Cranfield School of Management—the author of the study—found that high interest rates

and the widely predicted increase in the rate of technical obsolescence would lead to an increase in the economic advantages of shiftworking.

About 26 per cent of the manual workforce in manufacturing industry is now on shiftwork, says the report. This is an increase since the mid-1970s. In non-manufacturing industry, the proportion seems to have decreased slightly.

The main growth in shiftwork is likely to be stimulated by the economic pressures towards greater investment in fixed capital throughout the economy, and towards the most economic use of such capital, the report says.

A typical UK shiftworker is a man aged between 22 and 44

in a manual occupation. He is paid, on average, 17 per cent more than non-shiftworkers and works slightly fewer hours. Financial inducements are important to persuade people to work shifts.

The NEDO study found the extension of shiftwork to make possible shorter working hours does not appear to have been widespread. Nevertheless, shiftworking schemes should be considered when unions and employers negotiate working hours.

The number of women working shifts in the UK is significantly lower than in France or Germany.

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3rd year	11.50	11.50	11.50	12.00	12.50
4th year	12.00	12.00	12.00	12.00	12.50
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I/We understand that the investment cannot be withdrawn before the end of the initial contracted term, except in the case of death and that after the contracted term is completed the investment will continue in this scheme subject to 3 months' notice at 6 months by means of the Society and that the rate may vary but the contractual rate shall be guaranteed.

Please pay any Bondshare dividend into my/our Share Account Number _____

OR into a new Share Account in my/our name.

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UK NEWS - LABOUR

Reduction in strikes continues in August

BY PAULINE CLARK, LABOUR STAFF

A CONTINUING decline this summer in the number of strikes affecting Britain's industries and services is highlighted in an analysis of stoppages last month, published yesterday by the Department of Employment.

Provisional figures for August in the latest issue of the Employment Gazette put the number of new stoppages at 45—compared with 64—which began in July. The previous minimum was 34 in December last year.

The number of working days lost—the lowest at 174,000—compares with 175,000 in the previous month.

and 190,000 in December, 1979.

December is traditionally the month with the lowest level of industrial action. In August last year, for instance, there were 291 stoppages in progress, involving a loss in working days of 4,102,000.

The approximate number of workers involved in last month's stoppages is estimated at 19,100 of whom 6,200 were in strikes which had started in the previous month. The aggregate of 104,000 working days lost also includes 63,000 lost through stoppages continuing from July.

The biggest stoppage start-

ing in August involved a five-week strike by 425 workers at a grain milling plant after the dismissal of four night shift workers for allegedly sleeping on duty.

The other two main stoppages related to pay, however. A strike by 300 workers at a Birmingham brewery followed a breakdown in wage negotiations, and a further 2,600 brewery workers elsewhere in the Midlands stopped work when employers proposed redundancies and suspension of guaranteed wage level agreements.

The decline in stoppages over the past two months has reduced the number of work-

ing days lost since last January to 11,336,000—a drop of 1,057,000 compared with the January to August period last year.

A further Department of Employment analysis of industrial action trends shows that 64 large industrial disputes—out of a total 50,000 stoppages—accounted for 46 per cent of all working days lost through disputes over the last 20 years in the UK.

The survey of major stoppages between 1960 and 1979 points to these disputes as accounting for most of the sharp increase recorded in days lost through disputes between the 1960s and 1970s.

David Marsh writes The impact of the recession on the manufacturing sector has been underlined by Department of Employment figures showing a drop of nearly 40 per cent in the number of workers employed in production industries during the seven months to the end of July.

On a seasonally adjusted basis, the numbers dropped by 346,000 to 8.5m between the end of December, 1979, and the end of July. The figure is likely to have declined further since then as a result of the spate of summer redundancies.

Jail officers plan action over shift work row

PRISON OFFICERS will be told to take industrial action in a long-running row over shift work. The men's leaders said yesterday the campaign could be "catastrophic" for prisoners.

The move was agreed yesterday by the executive committee of the Prison Officers' Association, covering England, Wales, and Northern Ireland.

It follows an association meeting with Mr. William Whitelaw, Home Secretary, on Monday night at which their claim for arbitration over a meal-break payment demand was turned down. The executive will now call a delegate conference to explain to the membership its plans for industrial action.

For the 44,000 prison population the effect might well be catastrophic," said Mr. Colin Steel, association chairman.

"We would hope that the Home Secretary and the Prison Department will go to arbitration to determine this once and for all. Our action has been decided by responsibly-minded people, but it is obviously going to mean some restriction in prison activities."

He would not be drawn on possible effects of industrial action. In the past it has meant workshops being closed, a halt to prison industries and building programmes, and a limit on movements from prisons.

Prior urges caution over Employment Act

BY OUR LABOUR STAFF

MR. JIM PRIOR, the Employment Secretary, warned industrial managers yesterday not "to wave about too often" the provisions of the new Employment Act when tackling industrial relations problems in their companies.

In a speech to an Industrial Society conference in London, Mr. Prior appeared anxious to consolidate his position as a moderate proponent of industrial relations law.

He emphasised that the Act, whose final main provisions come into effect during the last week of October, should be treated as a "backstop" to prevent trade unions resorting to excesses of behaviour.

But he made clear that he did not want to see employers using the law as a weapon when industrial relations problems could be solved by co-operation.

Government fears of confrontation with trade unions are likely to have intensified following the union move at the TUC conference in Brighton earlier this month to launch a militant campaign against the new law.

Mr. Prior said: "It is a seductive and dangerous misconception that the law can produce good industrial relations."

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, told the conference that he did not want

a repetition of the conflict over the 1971 Industrial Relations Act which his union had fought with serious financial consequences.

The union was not asking its members to oppose the Act against the law and it was anxious to join in a tripartite dialogue with Government and CBI provided trade unions had the opportunity to talk about the economy and not just wages.

He feared the Employment Act, however, would create a climate in which trade unions appeared to be persecuted and so encourage extremists to find an excuse for creating conflict.

Members of the TUC's employment policy and organisation committee are to meet Mr. Prior today to express strong opposition to the draft codes of practice on picketing and the "closed shop" issued under Section Three of the Employment Act.

The all-party Commons committee on employment yesterday called for a postponement in the publication of the Government's Code of Practice on picketing and the closed shop so as to give more time to investigate the proposals. The committee urged Mr. Prior to delay publication until after October 21 so as to give the committee a chance to probe Mr. Prior himself further and to take evidence from the TUC and the CBI.

Insurance staff fear clashes on pay parity

By Nick Garnett, Labour Staff

INDUSTRIAL relations in insurance companies will worsen next year because of repeal of the Employment Protection Act according to the Association of Scientific, Technical and Managerial Staffs.

The union, with more than 70,000 members in insurance, has just completed a survey of wages and conditions in 50 companies. It shows considerable variation in standards.

The union will use this information for comparative wage claims, linked to recognition claims in some of those companies where the union is not recognised.

Mr. Peter Kennedy, the union's national officer for the insurance industry, said scrapping of section 11 of the Act, dealing with union recognition, and schedule 11, on pay and conditions, removed remedies for these problems.

Greater confrontation between staff and management would result, particularly where pay and conditions at one company could be shown to be markedly poorer than at similar companies.

The union said yesterday that scrapping section 11 would severely worsen the climate within managements regarding their recognition of unions.

The union said yesterday that a dispute over recognition and pay at the National Employers Mutual General Insurance in the summer indicated "problems likely to occur elsewhere in the industry."

Ships' officers lodge new wage claim

BY NICK GARNETT, LABOUR STAFF

SHIP OWNERS' yesterday received a claim for substantial rises from unions representing their officers who are seeking to restore some of the differentials eroded by the last settlement for ratings.

The claim on behalf of the 38,000 officers and cadets also includes substantial improvements in leave and improved overtime rates.

The National Union of Seamen last week submitted a similar claim for ratings although the union is specifically seeking consolidation of a

55 efficiency payment as well as substantial rises in pay and overtime rates.

At the last settlement, the officers secured a deal worth 17.5 per cent on money but 19.5 per cent on the overall wage bill when improved leave was taken into account. The ratings received 24 per cent.

The ratings are understood to be looking for an overall deal close to the present retail price index. If the four unions representing officers—who are still ranked by last year's deals—are determined to achieve a

settlement above that they will be very much at odds with the employers.

The General Council of British Shipping undertook yesterday to consult its members and reply in the first week of November. This will be after the November 1 settlement date for the officers, who are reluctant this year to conclude a deal before the ratings. The ratings' settlement date is January 1.

The employers, who have seen their competitiveness badly eroded, said yesterday that unless settlements were

governed by commercial realities, there would be further losses of ships and jobs.

The competitiveness of the UK shipowners has been weakened by the strong pound. The employers told the unions yesterday that it had also deteriorated as a result of inflation and recent wage rises.

According to the employers' figures, pay for UK officers and ratings has risen 50 per cent in the past three years. This compares with considerably less than 40 per cent in Norway, 23 per cent in West Germany and 13.5 per cent in Holland.

Union wants staff to meet jobless rise

By Our Labour Staff

CIVIL SERVANTS' union leaders who are calling for an overtime ban in unemployment offices, yesterday urged Department of Employment officials to "recruit permanent staff like mad" to cope with the rising number of unemployment benefit claims.

The Civil and Public Services Association yesterday made the appeal in informal talks with management officials. It followed Tuesday's announcement that the Government was proceeding with plans to cut unemployment benefits staff by 1,400 from next month, in spite of protests by unions.

Mr. Terry Ainsworth, the CPSA's national officer for employment, said he warned officials of a serious build-up of work this autumn, when temporary staff return to college or take up jobs.

APPOINTMENTS

Part-time members at British Steel

The BRITISH PETROLEUM COMPANY has announced details of management changes arising from its merger with SELECTION TRUST.

Selection Trust becomes the operating company for BP's worldwide minerals activities on behalf of BP's existing subsidiary, BP MINERALS INTERNATIONAL.

The former managing director of BPML, Mr. Ted Hamington, becomes an executive director of Selection Trust. Two board members of BP Trading, Mr. Frank Rickwood and Mr. William Grassick, as well as a senior BP manager, Mr. James Ross, also join the Selection Trust board.

Their appointments were shadowed at the time of the BP offer for the shares of Selection Trust.

In addition, Dr. William Hancock becomes exploration director of Selection Trust. He was appointed group exploration consultant to Selection Trust in 1972, having joined the company's organisation as field consulting geologist in Australia in 1968.

The chairman and chief executive of Selection Trust, Mr. Duane Case, becomes chief executive of BPML. Mr. Laurence Cook, the managing director of Selection Trust, has also been appointed to the board of BPML.

Mr. E. J. Hives, Mr. A. M. Macleod-Smith, Mr. P. H. MacWilliam, Mr. R. V. Rumble and Mr. E. C. Wharlen-Tear have resigned from the board of Selection Trust.

The Secretary for Industry has appointed Mr. K. G. H. Binning, an Under Secretary at the Department of Industry, and Mr. T. U. Burger, an Under Secretary at the Treasury, to be part-time members of the BRITISH STEEL CORPORATION. They replace the previous civil servant part-time members on the board, Mr. S. J. Gross, who has retired from the Department of Industry, and Mr. N. J. Monck, who has moved to other duties in the Treasury. Mr. Gross has been made a part-time member of the corporation for three years from November 11.

Mr. Binning has succeeded Mr. Gross as head of the iron and steel division of the Department of Industry. He was previously head of the regional support and inward investment division of the Department. Mr. Burger has replaced Mr. Monck as head of the public enterprises group in the Treasury. He was secretary to the National Economic Development Council.

Mr. Bruce Roux de Bezieux and Mr. Nicholas Cobbold have been appointed directors of WORMS INVESTMENTS and WORMS (UK), of the inter-

national banking, investment and shipping insurance group, WORMS AND CIE, Paris.

Mr. R. C. Wheeler-Bennett has been appointed to the Board of THOMAS BORTHWICK AND SONS and has been elected deputy chairman. He retires as general manager Europe of the AUSTRALIA AND NEW ZEALAND BANK after 14 years' service having been executive director of that bank until his change of domicile to Australia in 1976. Previously he was with the First National City Bank of New York.

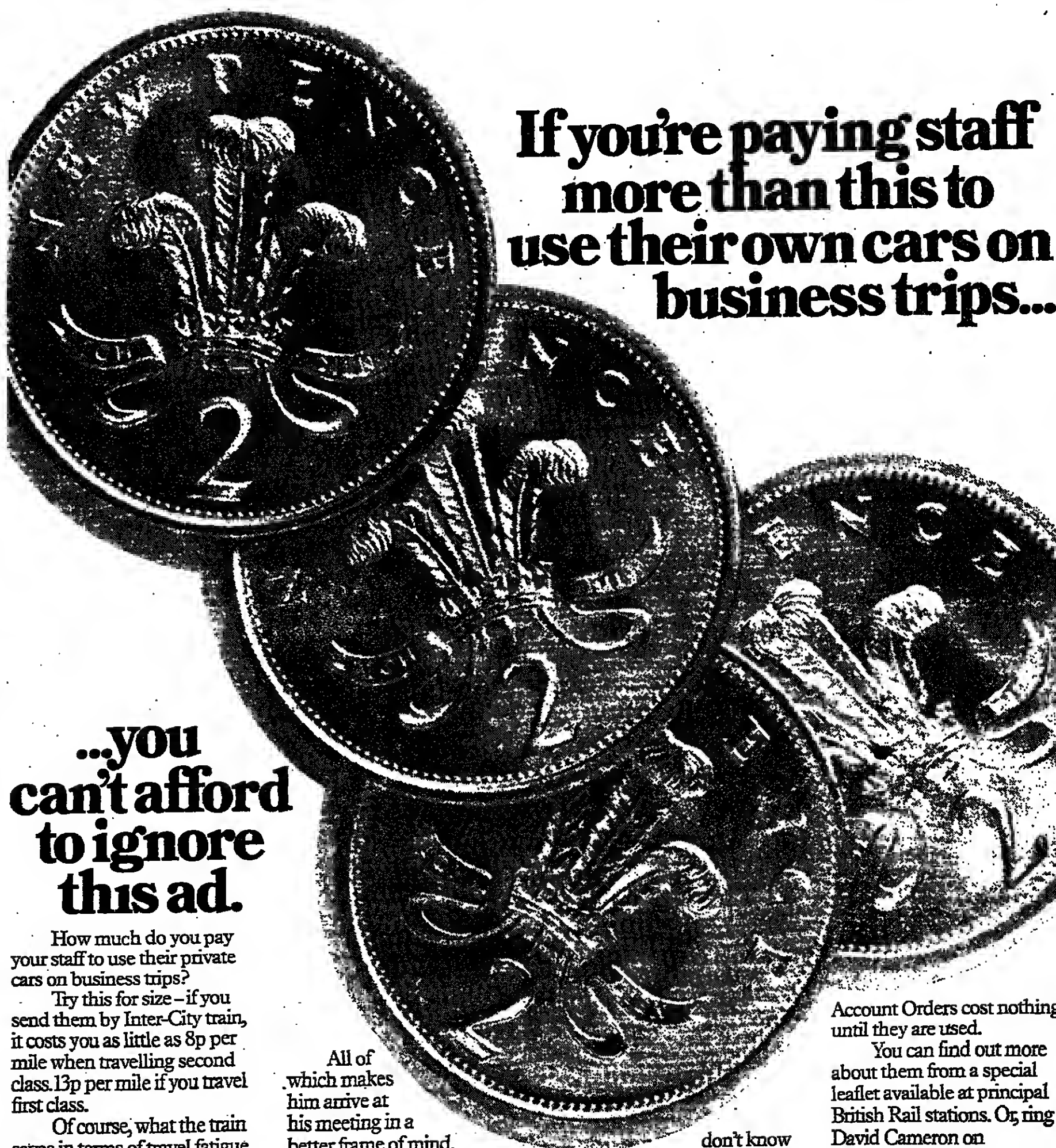


Mr. R. C. Wheeler-Bennett

Mr. T. G. Williams, chief manager international, London, of the Australia and New Zealand Banking Group, is to take over as general manager Europe at ANZ on December 1 in place of Mr. Wheeler-Bennett.

WILLIS FABER has made the following group appointments: Mr. Guy Norrie, a director of Willis Faber and Dumas (Agencies) and Mr. R. Banner, an executive director of Willis Faber and Dumas (UK). New divisional directors at Willis Faber and Dumas Limited are Mr. M. J. J. Faber (aviation) and Mr. R. H. Close-Smith and Mr. D. J. Voisey (marine).

Sir Peter Ramsbotham has been appointed a director of LLOYDS BANK INTERNATIONAL from January 1, 1981 and at the same time will become a regional director of the southern regional board of Lloyds Bank. The regional board sits at Guildford under the chairmanship of Lord Beeching. Sir Peter was Ambassador to the U.S. from 1974-77 and he recently retired as Governor and Commander-in-Chief of Bermuda.



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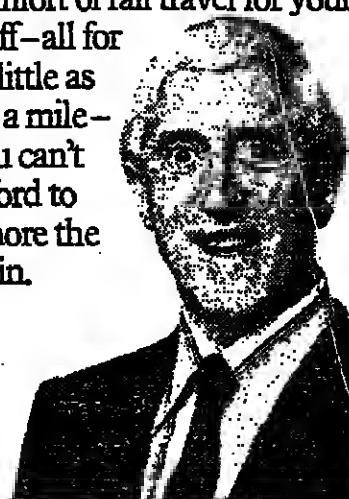
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This is the age of the train ➡

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CAINE

RADIO

Smart radios know their channels

CONSUMER RADIO products are usually only described on this page when some unusual technology has been brought to bear. It was perhaps only a matter of time before the all-pervasive microprocessor appeared in domestic radios and news has now come from Sony of the ICF 2001 receiver with processor controlled tuning and synthesised frequency generation in its local oscillator circuit.

What this means for the user is that the conventional tuning knob has vanished, to be replaced by buttons which can be used to inch the tuned frequency up and down at various rates or to select tuned stations that have been set by the user and remembered by the micro.

The receiver can be made to look over a specific part of the band, to find a station the precise frequency of which is not known. High and low frequencies are entered by button and the unit will then scan in 3 kHz steps (AM) or 100 kHz steps for FM until a station is found, or continuously until the set limit is reached.

However, manual tuning is

possible by repetitive depression of the up or down buttons, the frequency shifting 1 kHz (AM) or 100 kHz (FM) at each press. If the button is held down, the frequency will change more rapidly; if pressed at the same time as a "fast" button, the increments are made larger.

In addition the tuning frequencies of up to six stations (AM or FM) can be stored in the memory and any one can then be instantly recalled. Entering these stations into memory is simply a matter of pressing an "enter" button at the same time as the pre-set station button.

The receiver is equipped with a liquid crystal display which can show the tuned frequency, a sleep timer setting, number of preset stations, scanning limit frequencies and an improper numerical entry indication.

Some nine integrated circuits are employed in the ICF 2001, which is battery operated and measures 810 x 56 x 171 and weighs 1.8 kg.

Sony (UK) is at Pyrene House, Sunbury Cross, Sunbury on Thames, Middlesex TW16 7AT (Sunbury 87644).

COMMUNICATIONS

Small PABX monitor

MOST OF the private automatic branch exchange (PABX) call monitoring equipments can only be applied economically to the larger exchanges although the principle of phone use optimisation applies to everyone.

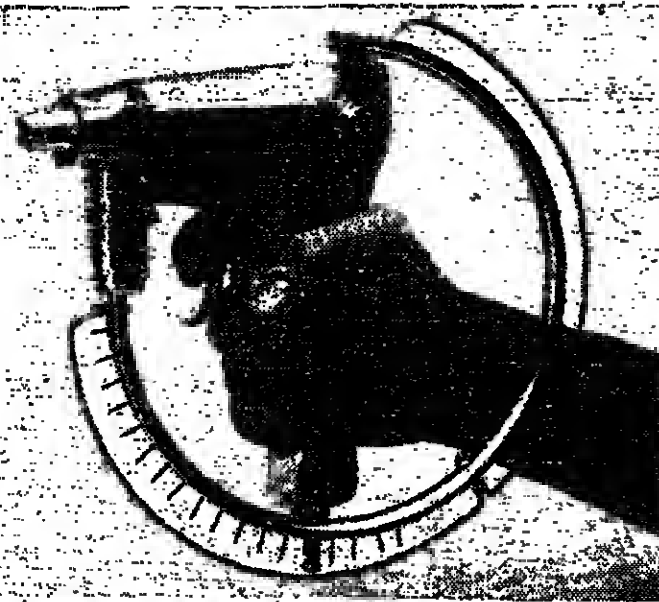
Now, a system has been made available for use with PABX (10 exchange lines and 49 extensions) by Rack Norex.

Regency House, Dedmere Road, Marlow, Bucks (06284 74511). Based on a microprocessor, the Norex system monitors and prints out details of all out-

going calls, including extension number, date, time, duration, number dialed and the cost.

Approved by British Telecom, the system will identify wasteful use of telephones and offers a complete analysis of calls. It is compact (25 x 19 x 15 inches) and the printer can be located at up to 75 yards from the exchange.

A departmental print-out is also offered which shows, extension by extension, the cost incurred and the total expenditure for the department.



This pneumatic stud nailer has been devised for the fixing of decorative studs in furniture. Available from Fornack of Romsey, Bants (0794 515522), the tool is capable of firing 6, 8 or 10 mm decorative studs from an open-ended rotary magazine which can be loaded with up to 50 studs at a time. The studs can be fired at the rate of 50 per minute by a skilled operator. It is claimed. A compressed air supply of 80 lb per square inch is required and the gun can therefore be operated from standard factory air lines. The company which is a division of Papropak of Hull also supplies decorative studs in a variety of finishes.

COMPONENTS

Measures the flow

VERY LOW rates of flow in liquid or gas systems can now be monitored with a combined flow switch and indicator from C.C. Meters, Chatsworth Terrace, Harrogate (0433 69550).

The unit measures flow down to 50 cc per minute (at 20 c/s) and has a maximum flow capacity of 5 litres a minute; maximum pressure rating is 20 bar or 130 psi, depending on the metal.

Important characteristic of the new unit, says the company, is that it can incorporate 15-amp micro-switches with direct electrical connection to control

systems, remote warning lights, failsafe mechanisms, etc.

These new flow-switch indicators are suitable for gases and liquids of varied viscosity (there is no risk of straining the unit on a cold start) and their basic design allows the manufacturer to accommodate any specified viscosity and maximum flow simply by changing the taper of the needle. This means the full deflection of the indicator can be used on every application with no loss of accuracy.

The unit is designed for mounting in line, and both inlet and outlet ports are 1 inch BSP.

Takes the strain

RESISTIVE FOIL and wire strain gauges in a variety of grid patterns with the grid fully encapsulated in the carrier are announced by Hottinger Baldwin Messtechnik of Darmstadt and can be obtained in the UK from Carl Schenck (UK), Stonefield Way, Ruislip, Middx HA4 0JT (01-841 5121).

There are some hundreds of products in the range states the company, covering general purpose, precision and standard types. They are all

self-compensating for temperature change, providing automatic compensation (over a specified range) for the thermal expansion and contraction of the most common materials to which they are applied, including steel, aluminium, titanium, austenitic steel and plastics.

The general purpose gauges for example (Series Y), are foil types embedded in a polyimide material and will operate over a temperature range of -200 to +280 deg C.

ELECTRONICS

Metrology assisted by micro

METROLOGY becomes a radically different proposition with a television and microprocessor assisted machine from View Engineering in California, now available in the UK from BFI Electronics, 516 Walton Road, West Molesey, Surrey KT8 9QF (01-841 4068).

It consists basically of a coordinate table with motions of 8 ins (x), 4 ins (y) and an overhead television camera with 6 ins of vertical movement (z). At maximum resolution the unit can measure to 0.00005 ins in the x axis and 0.0002 ins in x and y. The machine, which costs about £65,000 is being aimed at the electronic circuit, instrument, watch and camera industries, but offers benefits wherever small metal parts of high accuracy are manufactured in quantity.

The massively mounted measuring system provides data for a desk-top unit which houses computer, floppy disc storage, viewing screen and controlling keyboard. The x, y and z motions are all controlled by the processor.

Clamped to the x-y table, the part to be measured is moved

into the optical field of view while the camera is moved by the z axis motor until the part is in correct focus. The camera then takes what amounts to an electronic picture of the part which is broken into 500 x 500 elements (pixels) which the associated electronics digitises according to their level of brightness. The computer now has full positional data in its store, the resolution depending upon magnification (that is, the lens) used.

Software routines allow the operator to measure, or program the machine to measure automatically, the distance between any two points, that can be defined by the digitised video matrix. A set of cross-hairs and a measurement window are electronically superimposed over the field of view on the screen, so that measuring positions can be entered. For longer measurements, the machine also uses data from accurate scaling devices on the table itself. The cross-hairs can be lined up with edges, corners, circle centres and similar points.

Once a particular sequence of measurements has been performed once by the operator, the machine remembers them and will carry them out on subsequent similar components fixed to the table. Each time it does this an appropriate alphanumeric read-out of measurements appears in the corner of the screen. Similarly, with tolerances entered from the keyboard, the machine will reject parts that lie outside those limits. The routines can be kept on floppy discs for future use.

Under the adjacent-mounted screen and disc unit is a keyboard which provides for numerical entry, movement of the x-y table, movement of the cross-hairs, and adjustment of the size and position of the measurement window.

There are a number of special and valuable facilities using the window. For example, provided that a hole, say, is completely embraced by the window, depression of a button will provide an immediate read-out of the diameter. Cross-hair fixing on any three points on the circumference however, will produce the same result. In a

Data logger beats the weather

A PORTABLE multi-channel data logger, weighing only 12.5 kg in its glass-fibre case, has been introduced by Microdata, Monitor House, Radlett, Herts (09276 3141), which claims that it is the first logging system of its size to incorporate microprocessor control.

Known as the Prolog, it is designed to meet an increasing need for automatic data acquisition over a wide range of indoor and outdoor applications. Of low power consumption, it should be particularly useful in remote locations. The lead acid battery, contained in the same case, is rechargeable from a solar cell. A standard 1-inch tape cartridge is used as a data recording medium, though the instrument can be set to act purely as a control system without the tape cartridge.

Microdata claims that the Prolog's performance and versatility compare favourably with those of most laboratory systems, yet it can operate for long periods, if necessary in extreme climatic conditions, without attention.

Using Microdata's input interface, the Prolog can accept up to 100 mixed analogue and digital signals from any mixture of any type of transducer in general use by means of a separate plug-in signal conditioning module for each input channel used. The mainframe unit carries up to 20 plug-in modules so that the instrument can function as a self-contained 20-channel data acquisition and logging system.

Where more input channels are needed, the capacity can be extended by one or two add-on units, each capable of carrying

up to 40 modules, thus giving a maximum of 100 channels.

Under microprocessor control, every input channel can be assigned to any one of five independent time bases, each of which can be programmed to scan its related input channels at intervals from 20 milliseconds to 99 hours. Microdata claims. Selected inputs can also be sampled in response to an externally generated trigger input.

Programming and operation are affected by a numeric keypad on the front panel in conjunction with the mode-selection keys which allocate the instructions to the appropriate program areas. As each instruction is entered it is verified on the nine-digit liquid crystal display panel, which can also be used to review programs already entered.

Shocking end for roaches

THE JARGON word "debugging" takes on a whole new meaning when applied to the Oecus Electro Roach Trap.

Oecus Scientific and Southampton University have harnessed the power of solid state electronics and the lure of sex to pest control.

The result is an innocent looking black plastic box which spells death to the tiresome pests.

The insects are encouraged to

climb the sloping sides of the box because the interior is cunningly baited with a pheromone, a natural hormone which smells to the cockroach as if another cockroach

(possibly of the opposite sex) waits invitingly within. Also for its hopes every 20 seconds a stunning electric charge flows through the grid at the top of the box and the hapless insect falls through a well into a sticky box, from

which there is no escape.

And if it all sounds like setting a mackerel to catch a sprat, the makers point out that the tendency for cockroaches to inhabit toilets, sewers and drains makes them potential carriers of deadly diseases. Furthermore, insecticides are not always completely effective (and are discouraged in kitchens and the like). Oecus will broom more about roaches. It is delivered to a multi-position carousell unit.

Contract Research & Development-Contact IRD

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similar fashion, angles can be measured.

The machine, which is called an automatic optical micrometer (AOM), will also undertake statistical sampling, mean, minimum, maximum and standard deviation are computed after a selected number of sample measurements.

BFI believes that considerable time saving and reduction of operator fatigue will result from the use of AOM—in one case the company believes it has replaced the effort that would be needed on five separate optical projectors. But much better quality assurance should also be possible, because the sampling quantity can be increased without consuming too much time.

GEORGE CHARLISH

TEXTILES

New creel from Texkimp

THROUGHOUT the world textile industry there is a trend towards the use of ever larger yarn packages. In the past it was a simple matter for a woman to lift a small bobbin of yarn and place it in position for processing, but in the case of synthetic fibres the packages are precision-wound which means they are much more dense. They have also steadily increased in size as the problem of handling has increased and means have had to be found to ease the task of the operatives.

This is a situation that is particularly evident in warp knitting where creeling of big packages has been necessary in order to increase efficiency of this department which feeds the giant warp knitting machines.

One means of overcoming the problem is a new type of creel developed in Britain by Texkimp of Stanley Road Trading Estate, Knutsford, Cheshire, WA16 0DD. (0562 3000). With this, the operative is provided with an intermediate, mechanically assisted loading station in which they transfer the package of yarn from the carton in which it is delivered to a multi-position carousell unit.

CMG 1979/1980

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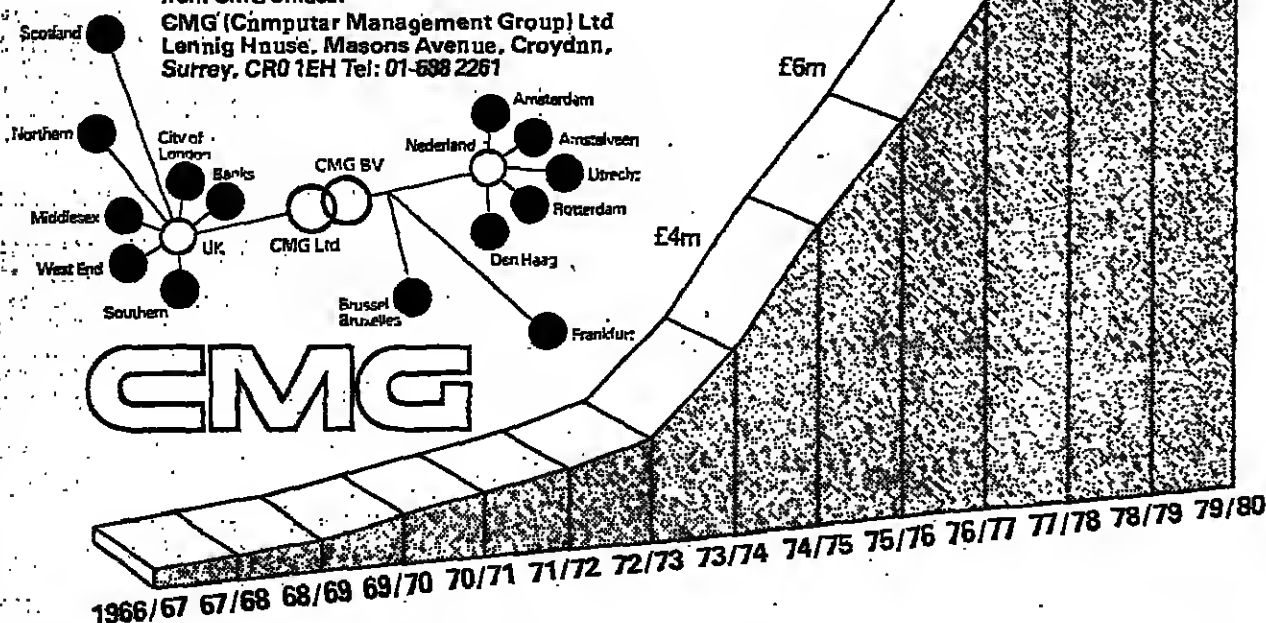
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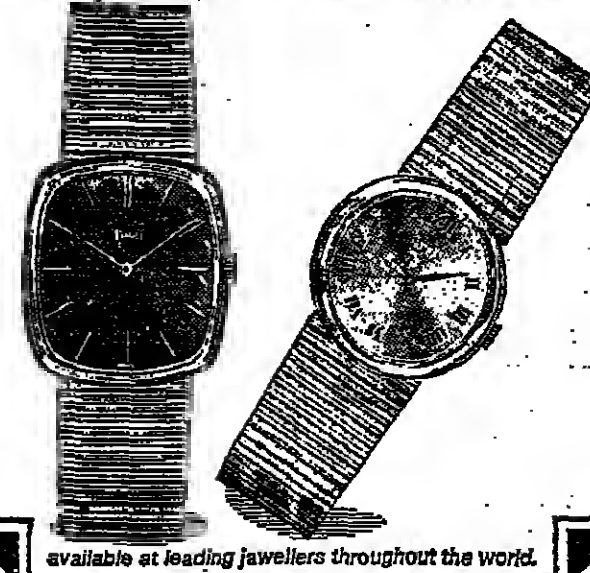
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THE MARKETING SCENE

IPA ADVERTISING AWARDS

Krona 'classic' judged most effective campaign

BY MICHAEL THOMPSON-NOEL

EVALUATING THE effectiveness of an advertising campaign in genuinely hard terms like sales or profits is a notoriously difficult undertaking, especially in Britain, one might suppose, where the conservatism and commercial timidity of management chiefs and marketing red Indians too often smother any adult discussion of marketing performance.

I assumed that to have been the main cause why the summarised case histories of the winning entries in the awards scheme for advertising effectiveness organised by the Institute of Practitioners in Advertising—results were announced this week—seem so threadbare. The winning case studies are to be published in book form eventually, but the summarised versions dished out this week are terse in the extreme.

Indeed, there were no prizes awarded at all in two of the five categories—industrial and financial advertising—mainly, says the IPA, because in these categories, clients were often

Overall winner in the IPA Advertising Effectiveness Awards was Stephen Benson of Davidson Pearce Berry and Spottiswoode for an analysis of the launch of Van den Bergh's Krona margarine. He won first prize in the consumer goods and services (new products) category. The agency collects £2,000.

Other first-place prizewinners were Angus Thomas of D'Arcy-MacManus & Masius, for a case history on Reckitt & Colman's Dettol, and Damian O'Malley of Boase Massimi Pollitt for a description of the UK launch of Tjæreborg Rejser, the holiday tour operator. Each agency receives £2,000. No prizes were awarded in the industrial and financial categories.

reluctant to sanction public disclosure of actual sales results. One effect of withholding awards in the industrial and financial categories was that on Tuesday the IPA handed out cash prizes to the winning agencies totalling £12,000, not the £16,000 originally on offer.

However, the timidity or otherwise of UK managers in sanctioning reasonable disclosure of marketing results is not held by Prof. John Treasure, chairman of the judging panel, to have been a factor here, although he hopes the overall quality of entries in future years will noticeably improve.

Rather, he cites cost as the most inhibiting factor. At the awards on Tuesday, where

prizes were presented by Sir Alex Jarratt, chairman of Reed International and president of the Advertising Association, Professor Treasure, a former chairman of J. Walter Thompson, said that the objectivity of the awards scheme—its concern solely with how advertising works in terms of measurable criteria—had raised problems.

"One of these problems arises from the difficulty of evaluating the effectiveness of an advertising campaign. Despite all that has been written on this subject, it is often in practice the case that the costs of thorough evaluation are greater than the perceived benefits, with the result that the methods used leave a lot to be desired."

On the other hand a pleasing feature of the 80 entries had been their diversity in terms of brand strategy, media mix and size of budget.

And he had no reservations at all about the overall winner, Krona margarine, submitted by Davidson Pearce Berry and Spottiswoode, an entry he dubbed "a classic of its kind—comprehensive, thoroughly documented and completely convincing."

The Krona case history covers the first 12 months of the brand's test market in the Harlech and Westward TV areas. Krona was launched to exploit the widening gap in price between butter and

margarine. The job of the advertising was to persuade consumers that Krona was almost identical to butter and to persuade them to try it, a difficult task at the best of times.

The campaign featured Rene Cuthbert, extolling the success of Krona's counterpart Down Under. Three commercials were made, and a national equivalent budget of £1.5m employed.

"Sales," says the IPA guardedly, "exceeded all expectations." By the end of the first 12 months, Krona was clear brand leader in its test areas. Very rapid consumer trial was achieved, and "subsequent research showed that the advertising had become an important element in the continuing satisfaction provided by Krona to its users. It clearly communicates what Krona is about in a way which people find credible."

Dettol was first-place prizewinner in the consumer goods (established products) category. First, Masius's case history showed how a shift in creative strategy, emphasising the

brand's use as a disinfectant rather than an antiseptic, had bolstered use and purchase; second, an econometric analysis of factors affecting Dettol sales in the period 1974-78 was used to demonstrate that the sales response to the advertising muscle put behind Dettol had generated profitable increases in sales.

In the case of Tjæreborg, which sells holidays direct to the public, Boase Massimi Pollitt was able to demonstrate that Tjæreborg's TV advertising had proved ten times more effective in generating brochure requests than the average of a number of other holiday advertisers in London. The campaign was also highly effective in converting brochure requests into booked holidays, so that Tjæreborg had to increase inaugural capacity to 28,000 holidays, 16 per cent up on target.

Second prize winners were JWT (for Kellogg's Rice Krispies) in the category for established consumer products; Bowden Dyble & Hayes (for Whitegates Estate Agency) and



Top IPA prizewinner Stephen Benson, Krona account director at Davidson Pearce.

JWT (for All Clear shampoo) in the category for new consumer products; and Ogilvy Benson & Mather (for the British Film Institute) and JWT (for RAF Officer Recruitment) in the category of direct response consumer products. Each receives £1,000.

Tha judges, in addition to Prof. Treasure, were Simon Broadbent of Leo Burnett, Peter Gittos of Barclays Bank, Anthony Gmud-Davies, Stephen King of JWT, Gilbert Lamb of Tube Investments, and Prof. Ken Simmonds of the London Business School.

NEW PRODUCTS

Cereals: Kellogg in a crunch

BY RHYS DAVID

THE FAMILIAR clink of spoon on breakfast bowl sounded through the Excelsior Hotel at Heathrow recently, but at midday, and in the strange surroundings of one of the conference rooms.

Some 70 Kellogg's salesmen had arrived the same morning to be told about the company's biggest ever cereal launch and to try for themselves the product they will have to sell to Britain's hard-pressed grocery trade—Crunchy Nut Corn Flakes.

With the company's original product holding around 20 per cent of the British breakfast cereal market, and retaining, ever since its introduction more than 50 years ago, brand leadership in the ready-to-eat cereal business, Kellogg's might be thought to be in little need of a new type of corn flake.

The augured version, Frosties, aimed at children, has a further 5 per cent share, and with own-brands adding a further 7-8 per cent, around one in three of all cereal - breakfast Britons

already reaches for a corn flake packet in one form or another each morning.

Moreover, the strategy of Kellogg's of Great Britain—the parent company's biggest subsidiary by far outside the U.S.—has over recent years begun to extend out of breakfast cereals into high added value convenience foods like noodles and frozen waffles.

But the company, as Mr. John Johnson, its assistant managing director, sales and marketing, points out, is in a position to be shot at by branded and own-label rivals. "If we do not improve consumer choice, our competitors will."

Kellogg's is confident CNCF will do just that, and the marketing team at the Excelsior briefing (which included account executives from the agency handling the launch, J. Walter Thompson) handed out figures showing a higher consumer rating for the product during test than for any other cereal tested in the past 10 years.

CNCF's rating as likeable came to 87 per cent compared with 76 per cent for Corn Flakes, the same for Weetabix (the second biggest selling cereal and Kellogg's main rival), and 70 per cent for Special K, Bran Flakes and Country Store. More importantly, 76 per cent of the sample said they would be prepared to go out and buy it.

Faced with evidence that it may have a winner on its hands, Kellogg's, which has been test-marketing the product in the North for some time, decided to advance the national launch by six months with full television advertising across the country starting on October 6.

The appeal of CNCF—developed first, like most of the company's cereals, in the U.S. and refined at the UK headquarters in Manchester to suit British tastes—is its position straddling the two strongest segments of the cereal business.

Corn Flakes has itself been buoyant since the introduction last year of a vitamins and mineral fortification programme—a response, cynics argue, to the gibe that there was more nutrition in the box than the contents. The process of coating the basic corn flake with honey, brown sugar and pieces of nut also takes the product towards mass appeal, the UK cereal discovery of the 1970s which has been recording growth rates of 12 per cent per annum.

£1.3m budget

The Kellogg's advertising campaign, 50 spots over four weeks at a cost of £700,000, and a total budget of £1.75m for the first year, will be geared towards encouraging consumers to trade up to CNCF with emphasis placed on its natural ingredients.

As such Kellogg's expects some loss of business for Corn Flakes and Frosties, but the market for corn flakes-based cereals should increase as a whole, the company believes, and at the expense of rivals.

The timing of the launch in the middle of the biggest round of destocking by retailers in years, seems brave if not foolhardy, but Kellogg's claims that recession is usually either neutral or even positive for its business.

This year Kellogg's is on target to record the second best ever sales year after 1976, when its switch from imperial to metric packs generated higher volume sales.

The trend, too, over the longer term, Kellogg's believes, is towards continued growth in breakfast cereals. As a meal, Mr. Johnson says breakfast has become much more informal, and this has been a major factor in the decline of the cooked breakfast.

This in itself means that cereals have to become more interesting and there have to

be more of them to satisfy the demand for change.

Kellogg's own salesmen, veterans of many a product launch, responded enthusiastically to CNCF, though without standing to cheer its rather sweet taste. As the professionals who will have to persuade supermarket managers to make more shelf space available, they were less interested in the cereal's slogan, "See the Nuts, Taste the Honey, Hear the Crunch," than in whether it would be available in the necessary quantities once they started selling.

They went in to lunch reassured, however, that mistakes with some past launches would not be repeated, and that 186,000 cases of 12 packets each were already stockpiled, with the Manchester plant capable of adding a further 35,000 cases a week as demand builds up. Kellogg's hopes to sell 411,000 cases in the UK this year, and 726,000 next.

Intriguing

There were other more mundane doubts reflecting the problems which the salesmen, as the company's frontline troops, had already begun to anticipate. The most intriguing question came from North of the border, Scotland being a porridge-eating nation, what would be the result of adding hot milk to them? After some thought it was decided nothing very much would happen, though some of the crunch might go. It is certainly a problem which the food technologists in Battle Creek, Michigan, where Dr. John Harvey Kellogg invented the corn flake for his sanatorium patients over 100 years ago, are unlikely to have thought much about.

CONSUMER ELECTRONICS

Ferguson: no false sentiment

FERGUSON ISN'T one to succumb to the blues. Part of Thom EMI, it says it expects to dominate the TV selling season with the most intensive advertising campaign seen in the UK consumer electronics industry—a multi-media song and dance costing £3m and featuring the British developed and manufactured Ferguson TX colour television range.

The campaign, orchestrated by Norman Craig and Kimmel and mastered by André Previn, makes a loud and patriotic case without in any way resorting to what has already been dubbed the marketing muddle of the year—the Buy-British bandwagon, felicitously described elsewhere as the "Golden Delicious Syndrome."

The theme of the campaign is "The Best Picture of All Time—Ferguson TX," and features André Previn endorsing Ferguson products for a third successive year.

According to St. John Jackson, Ferguson's marketing manager, the £3m investment in research, development and the latest in tube technology.

"The entire operation resembles that of a car launch. The bad news gets the headlines, as per usual. What we're saying is that we can take on the competition on any ground it likes, from product reliability to post-sales service. The fact that we're British is almost incidental."

Getting the hang

Barratt Developments, Britain's biggest private house-builder, has already announced a pre-tax profits push from £18.2m to £24.8m for the year to June. But it falls positively silent on the subject of its advertising budget. Figures

from MEAL show the Barratt Homes account to have been worth £1.36m in main media terms in the year to June 30, but that is a gross understatement of total expenditure, which probably exceeded £2m.

"We're under express instructions from the client not to discuss budgets," said Howard Oliver, MD of Brockle Haslam (North East), yesterday. "The competition follows every move we make."

By Michael Thompson-Noel

Barratt's latest TV campaign features "a helicopter pulling a water-ski, never before permitted in this country, and a hang-glider pilot being towed to a successful landing on water-skis."

Lengthy stunt research, I discover, was carried out mainly in Mexico and Australia. The potential dangers were so great that the agency was involved in "months of negotiation with the Civil Aviation Authority."

No fish tonight

News that the Apple and Pear Development Council is spending £500,000 on TV to extol the quality, variety and superiority of British apples has cast the White Fish Authority deeply into gloom.

Asked why the WFA was not putting British fish on television, the WFA chairman, Charles Meek, said that when it applied for an increase in advertising levy, the catchers objected, and so did some processors. The WFA's entire promotions budget, a lowly

£260,000, has not been changed for ten years. There is a moral in there somewhere, if only I could disentangle it.

Pain at Lintas

Tim Denehy, chairman of Lintas, is huffing and puffing in no uncertain way at the sudden loss of Hoechst's £300,000 corporate account to a new subsidiary of the Saatchi group, the Sales Promotion Agency, set up to operate "quite separately" from the mainline Saatchi and Saatchi Garland-Compton. It has eight clients already, including Hoechst and a new Ind Coope beer.

"I'm damned angry," fumes Denehy. "We've handled Hoechst for four years and pro-

duced a remarkably successful case study in corporate advertising." Between 1976 and 1980, he says, awareness of Hoechst improved from 100 to 250 on an indexed scale, while the ad spend itself dropped from 100 to 65.

Hoechst, for whom Saatchi already handles the Berger paints brand, plus UK media co-ordination, stresses existing ties with Saatchi and says it admires Saatchi's corporate track record for Dunlop and BP.

Saatchi is already eyeing other Hoechst brands (Hoechst UK is spending a total of £3m this year), while its own full-year profits, due next week, are likely to tip £3m against £2.4m. And Mr. Denehy? "Amazing," said Saatchi. "We cannot understand it. He's normally most amiable."



Derek Underwood MInstSM and Winners

Derek Underwood is London Sales Manager for a business equipment company. He's briefing his team of tele-sales girls on next month's campaigns. He also has a team of outside representatives, all men. Derek's Region won the company's top sales prize last quarter and he aims to do the double by the end of the year.

Derek's team are also winning prizes in other directions. Every member is an Associate Member or an Affiliate of the Institute of Sales Management, encouraged to join by Derek, who has held Full Membership for some years. He knows what the Institute can do to boost the abilities and the success of sales people, whatever their business. When he took over the London Region he was determined that all his sales staff should have the same edge over their competitors that ISM had given him.

His tele-sales girls found there was only one thing they disliked about ISM. Less than 100 of its members were women. It seemed that joining Britain's largest professional sales institute was almost exclusively a chauvinistic pastime, something unacceptable to the girls' equal-right minded thinking. So they began selling hard to persuade other sales girls—retail, wholesale, tele-sales, industrial representatives and in management—to join them.

Derek's male outside representatives didn't take this lying down. Got to keep the men ahead, they felt, and a friendly competitive spirit has grown within the teams. Derek is delighted. Yet another stimulus to an already stimulating business, and his London Region, his Institute and the Selling Profession as a whole will be stronger as a result. Just what Britain needs—more winners and less losers.

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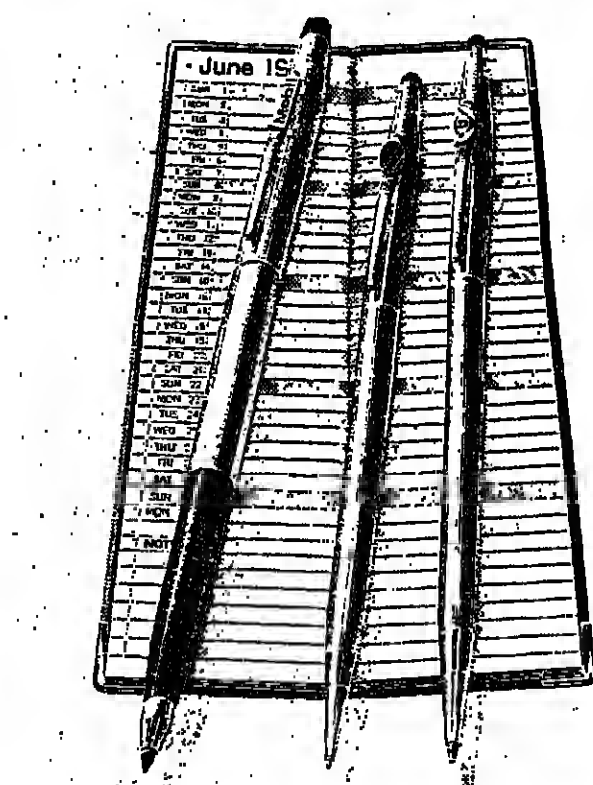
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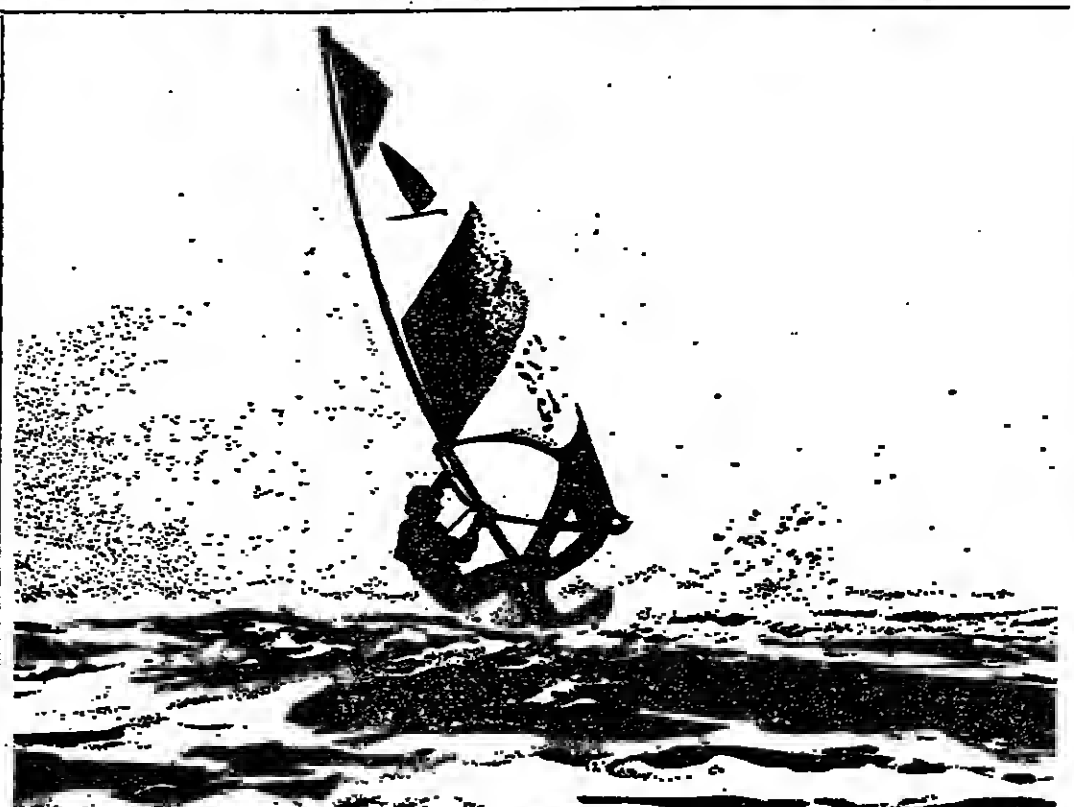
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THE ARTS

Abbado, Karajan, Muti, Neveu

by ANDREW CLEMENTS

Mahler: Symphony No. 6
Chicago Symphony Orchestra/Claudio Abbado
Deutsche Grammophon 2707 117 (2 records)

Bruckner: Symphony No. 6
Berlin Philharmonic Orchestra/Herbert von Karajan
Deutsche Grammophon 2531 295

Schumann: The Four Symphonies, Overtures to The Bride of Messina and Hermann and Dorothea
Philharmonia Orchestra/Riccardo Muti
EMI SLS 5199 (3 records)

The Complete Recorded Legacy of Ginette Neveu
EMI RLS 739 (4 records)

Among current practitioners of the trade, there are good grounds for regarding Abbado and Von Karajan as the finest conductors of the composers recorded by them here. Abbado's Mahler 6 is the latest instalment in a project to record the complete canon, with labours divided between the Chicago Symphony and the Vienna Philharmonic. Karajan's new release leaves him with only the first three of the Bruckner symphonies to go; Deutsche Grammophon has another Bruckner cycle under way with Barenboim and the Chicago orchestra and is evidently unworried by the duplication.

Abbado's previous Mahler recording for DG (of the second and fourth symphonies) were characterised by an exceptionally wide dynamic range, too wide to be accommodated comfortably in many domestic settings. For the new discs this has been tempered. The recording remains extremely lifelike, but one does not have to strain for the pianissimos nor flinch at the climaxes, while the detail is always carefully etched. This is an important point in a performance that concentrates on registering the finer print in the score, bringing out counterpoints and echoes which many conductors would subsume into a general orchestral tutti.

In this respect Abbado helps himself by choosing generally broad tempi. The first movement sets off with a very measured tread, and becomes proportionately slower still for the pastoral episode in the development (the beautiful woodwind playing here remarkably self-effacing from an American orchestra); the finale begins with the most sombre of prefaces, the music drifting apparently pulseless until the chorale sets in. One of the results is that the contrast between the first movement and the scherzo—Abbado uses Edwin Rava's edition of the score, and hence places the scherzo before the Andantes, though Norman Del Mar's

recent book on the symphony has made a convincing case for a return to the original order—is a valid one. One of the serious objections to Karajan's recording of the sixth was that the tempi for the first two movements were too similar for the difference in mood to be obvious.

Bruckner's sixth symphony is having a vogue on record at present; after much neglect (despite the claims of Brucknerians such as Robert Simpson that it offers the most cogent of the composer's symphonic structures) Karajan's performance follows quickly on versions by Barenboim and Solti. The crux of any interpretation of it is in the finale, which can easily fall apart in the wrong hands. Barenboim's otherwise exemplary account faltered at this point, but Karajan is close to success: the blazes of brass and carry through the numerous gear changes (the fewer the better for a coherent impression) and the effect is almost seamless.

One property of the recording, however, has serious musical consequences, and has been common to all the discs in this series. The cleanliness of the sound has been extended to the silences also; there is no resonance to speak of and there are many moments in Bruckner that were surely composed with a cooing acoustic in mind. This matters less in the sixth than it did in Karajan's account of the fifth, which cut the introduction to the first movement into isolated columns of sound, when the pauses should be coloured by slowly ebbing resonance. Here, though, the transition from the scherzo to the trio should be less bald, and the finer lines of the trio emerge from beneath the brassy debris of the preceding music.

Muti's collection of the Schumann symphonies—the inclusion of two rare overtures makes an enterprising fill-up—is the expected packaging of the original single-disc releases. As a set it is arguably Muti's most consistent recorded achievement to date, and offers the best available deal for anyone wishing to purchase the works. Nobody would turn to Schumann's symphonies for the consistency of their orchestral thought, nor for the felicity of their scoring, and Muti responds most vividly to those passages of genuine inspiration, willing to take calculated risks (there are some dangerous rubati, and some phrasing that is close to preciosity) and making the most of the consequent rewards.

The Philharmonia plays well, if not always with the knife-edge response one might expect from an orchestra that laid more store by spectacular virtuosity. Occasionally it is made to sound heavy and unathletic (in the

opening movement of the second symphony for example) but this is Muti's intention; here the symphony looks forward to the later heirs of the 19th century symphonic tradition and, of all people, to Bruckner. Single-handed Muti seems to be making out a case for Schumann to be taken seriously as a symphonist, and a lack of spontaneity (for all the moulding is quite clearly part of a long-range expressive plan) might be the criticism most likely to be laid before these performances.

The assemblage of all the extant recordings of the French violinist Ginette Neveu constitutes an album of immense value. When she was killed in an air crash in 1949 she was barely 30 years old, and the miracle is that so much of her playing—enough to fill four LPs—has been preserved. The performances date from a time when young artists were not automatically hustled into the studio at the earliest possible opportunity.

The chief glory of this set is the pair of concertos—the Sibelius and the Brahms—recorded in London in 1945 and 1946 with Walter Legge's Philharmonia Orchestra. The Sibelius is quite astonishing; not even Heifetz's performances on record can touch it for technical poise and sustained intensity, for conveying such an overwhelming impression of artistic rightness. It seems to have been conceived in a single musical thought. The Brahms is spilt by a poor orchestral sound (in a number of cases the master of the original discs have been lost and these transfers taken from shellacs, by and large quite acceptably) and the purity of Neveu's tone fails to survive.

Elsewhere in the collection there are a variety of smaller pieces: a number of arrangements from the popular classics by Kreisler and others recorded in Berlin in 1938; Strauss's Violin Sonata taken down the following year, also in Berlin; and exquisite versions of Ravel's Tzigane and Debussy's Sonata from 1946, in which Neveu was partnered by her brother Jean. From these four records alone it is possible to place Neveu with the very finest violinists of the century: she seems to stand in relation to modern violin performance in much the same way that Dinu Lipatti relates to the post-war piano, and no praise could be bigger than that.



Frances de la Tour and David de Keyser

Duke of York's

Duet for One

by B. A. YOUNG

Tom Kempinski's remarkable play has come in from the tiny Bush Theatre to the spacious Duke of York's without damage. Caroline Beaver's design for Dr. Feldmann's consulting room has grown up a little; but as far as I could judge from Row C (which is actually five rows back, not three), the intimate acting of Frances de la Tour and David de Keyser is unspilt. Together they make up the whole cast. She plays a violinist, Stephanie Abrahams, who has contracted multiple sclerosis and has been persuaded by her husband, a composer, to consult a psychiatrist; to see if he can help her to live with her deprivation. The play shows us six visits. In the last of them, Miss Abrahams says she will not be coming any more. "Shall we say the same time next week?" Dr. Feldmann replies.

Both in Mr. Kempinski's writing and in the playing, the rise and fall of the relationship between the two is charted with deep perception. Miss Abrahams (her professional style) is not yet seriously affected; she can walk, though at any moment she may topple over, and her arms and wrists are as supple as any violinist's should be, if only

they could be relied on. At this period she is full of confidence, determined to take pupils and help her husband in his work, intelligently analysing her own remarks. But it's bravado. In the final three visits, she has given up. She has left off her pills. She has become foul-mouthed. Her pupils are useless, her husband's music is "tonal gibberish." She invents a discreditable sexual affair. Feldmann plays a record of a cadenza (of much brilliance and more vulgarity) that she once played, and launches into a fine speech, finely delivered, about the purpose of life. The conclusion is open-ended; the struggle is not over.

I don't see how the playing on either side could be better. Miss de la Tour explores the full span of her miseries from the confines of her wheelchair, her face a mask of pretended gaiety that fades and ages as her armour is pierced by the psychiatrist's cunning attack. Mr. de Keyser's expression hardly varies as he watches from his desk, his heavy-lidded eyes as often on the toes of his shoes as on his patient; yet there is absolute penetration in all he does.

Roger Smith is the director.

Elizabeth Hall

Eugen Indjic

The name is slightly familiar, for though Eugen Indjic was making his London debut in the Queen Elizabeth Hall on Tuesday evening, he is a past prizewinner in the Leeds Piano Competition, being placed behind Murray Perahia in the 1972 final. Since then Indjic has been steadily building a reputation abroad and now, at 33, one would expect a mature artist, with fully formed ideas and a repertoire tailored to suit his strengths.

Yet what we heard suggested interpretations still being developed, works to be fitted into a performing profile or perhaps set aside. Evidently the technique is strong and unyielding; he can sustain an unmitigated forte for many pages without flagging. Unfortunately he chose to do that rather too often in Schumann's Cornetto, a dizzying account which neglected hairpins and sfzandi, though nothing of bringing the music almost to a halt to make an obvious expressive point, and divested even the most engaging movements of charm and elegance.

Beethoven's Sonata Op. 10 no. 3 was rattled through—just that, the tone shallow and undifferentiated—and though the tempo was little more varied in a group of three Chopin mazurkas, occasionally Indjic found passes of softer, more rounded tone, managing to eke out one of them through Op. 24 no. 4 (in B flat minor) to produce the most personal and rewarding playing of the evening, with Pollini due to appear next door in the Festival Hall it was perhaps tactless of Indjic to choose to end his recital with the Three Dances from Stravinsky's Petrushka, on record Pollini plays them better than anyone, Indjic had suggested earlier in his recital that the technique to cope with the dances was there. So it proved, for there were few mistakes, an odd memory lapse apart, but everything was made to seem too effortless for such buoyant, effervescent music.

ANDREW CLEMENTS

Exhibition for the Queen's Canaletto collection

The Queen's collection of the works of the 18th-century Venetian artist Canaletto—the largest collection in the world—is to go on show to the public at the Queen's Gallery, Buckingham Palace, from December 5. The Queen has about 50 of his paintings, 150 drawings and a number of etchings which she inherited from George III, who bought them from Joseph Smith, the artist's patron, later British consul in Venice.



Brian Glover as God

Cottesloe

The Passion, Part 1

by ANTONY THORNCROFT

The Passion, Part One, first seen at the Edinburgh Festival and favourably reviewed there for this page by Michael Coveney, arrived on Tuesday at the Cottesloe, where it joined The Passion, Part Two which is already well established. It covers in two hours the period from the Creation to the Nativity.

Seeing them in concert will be an exhilarating experience for Bill Bryden's direction of this modern version of scenes drawn mainly from the Wakefield and York Mystery Plays, as stimulating and entertaining as a theatrical occasion as any mounted at the National. The Cottesloe is ideally suited for this popular staging with the audience drawn in as the crowd and the full height of the auditorium exploited for such

impressive sights as God (Brian Glover, beaming with goodness and love) rising up on a fork-lift truck to create the world. But humanity, the mixing of the homely and the magical, which so gripped the medieval public is finely preserved, although the alliterative text, given in broadest Yorkshire, sometimes substitutes impact for sense.

The Albion Band lays on the evocative music; the actors manage to interpret working men without condescension; and certain of the scenes—the emergence of Adam and Eve from a mound of earth, and in particular the Nativity, where the audience bearing torches crowds around the manger, to awe—are as moving and religious as the subject deserves.

Wigmore Hall

Victoria de los Angeles

by RICHARD JOSEPH

This artist's place as one of the finest of post-war sopranos has been secure for some time. Having earned widespread recognition as a fine interpreter of operatic roles by Verdi, Puccini, Wagner, Gounod and Bizet, of songs by German and French as well as Spanish composers, Victoria de los Angeles remains a model of intelligence and flexibility for younger singers.

On Tuesday night she celebrated the 30th anniversary of her Wigmore Hall debut with a recital at the same venue. With such an impressive and well documented past, the chief comparison is, naturally, with her former self. This is a hazard all mature singers face. Repeating past successes automatically prompts an audience's recollections of previous triumphs, yet launching into new repertoire can often lead an aging instrument into dangerous territory.

The programme was carefully chosen to balance these alternatives. Four Chalkovsky songs (to French and Italian texts) were sung with the freshness and directness of new discoveries. This composer's short,

regular phrase lengths and gradually ascending tessitura presented the soprano's still luminous tone in the best possible setting. Only the stiffness of Geoffrey Parsons' accompaniment dampened the result.

Parsons was both more assured and more tactful before the interval, accompanying some familiar lieder by Schubert and Schumann. Again, the relaxed, short phrases of Schumann's Der Nussbaum and Schubert's Wohin (from Schöne Müllerin) sat most easily on de los Angeles' voice. Tonal support in her middle register remains excellent, but excursions above it can only be attempted with care. So most of Schubert's Litanies was delivered with an ease and grace that recalled Elizabeth Schumann, but the crucial high climactic phrase of each verse failed to register.

The evening concluded with ten of Frederico Garcia Lorca's arrangements of Spanish Popular Songs, repertoire which has always fitted de los Angeles' voice like a glove and in which she remains pre-eminent.

Festival Hall

London Philharmonic

The LPO opened their season on Tuesday under Sir Georg Solti with a familiar masterwork: Bartok's Dance Suite. There is an impression about this Suite that has been mellowing: certainly the Bartok was allowed to sound its quirky folk tunes at leisure, without forced excitement. Something of Bartok's own manner in the Mikrokosmos pieces he recorded was captured—an amused detachment in exploring combinations of overlapping lines and contrasting attacks snorting low winds, suave strings. Solti did ingeniously comic things with Bartok's fluctuating tempo trick. With Maurizio Pollini his soloist in the Fourth Piano Concerto of Beethoven, the conductor secured a performance of dignified strength. As usual Pollini produced wonderfully cultivated sound, though the balance of his opening chords sounded odd: can he be hunting a new colour? The dialogue of the Andante was perfectly knit, with the first orchestral declarations gently stern rather than bristling. Pollini drew out a long, limpid line, coolly suggestive, and then entered into the Rondo with more playfulness than there was in Solti's well-sprung accompaniment. Sheer conviction and high polish marked the whole evening.

After the interval came Brahms' Fourth Symphony, richly and resplendently played. The work demands wind chording of great finesse, and the L.P.O. winds rose superbly to their many occasions. In the first few bars of the symphony some telling horn accents indicated that Solti has had searching thoughts about the music, and the whole response was notable for full-hearted warmth. An uncommonly deliberate Andante moderato accumulated power steadily, and was grandly shaped; the Scherzo had torrential energy. Solti revealed many more imaginative pieces of scoring than are often recognised in the work (and some clear Wagnerian touches: the Ring and Tristanian were not wasted on Brahms). More passion was generated in the passacaglia-Finale, perhaps, than there was time to resolve—there wasn't a convincing air of finality at the close; but that is arguably a fact about the music itself, denied any assuaging coda like that of the Third Symphony. The extraordinary vitality of Solti's performance won't be forgotten quickly.

DAVID MURRAY

Old Red Lion

Kooney Wacky Hoy

It is an odd phenomenon of our theatrical life that as the recessions bites so more small projects open up. The Old Red Lion in St. John's Street, near Angel Tube, is just one of many new pub venues and the current show, which ends on Saturday, is an extraordinary pot-pourri of nonsense, camp and high spirits.

Written and directed by Robert Longden, the setting is an ocean-going liner where participants in the deck games include Nijinsky, Coteau, Diaghilev and Gertrude Stein. There is also the bedraggled figure of Picasso, covered in blue paint and, in an electrifying burst of energy, discussing

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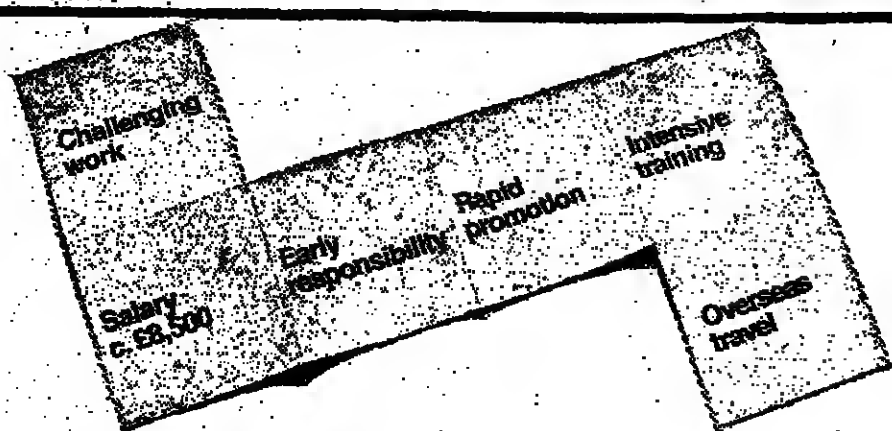
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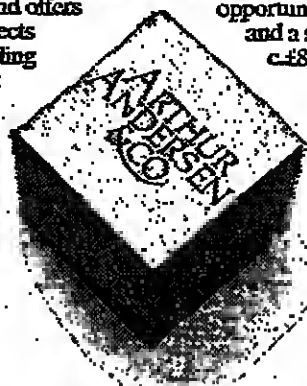
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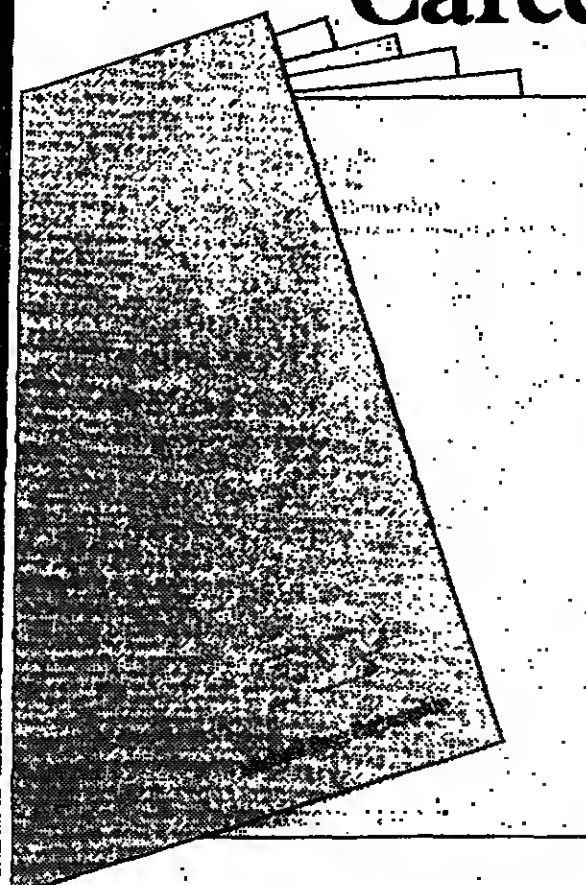
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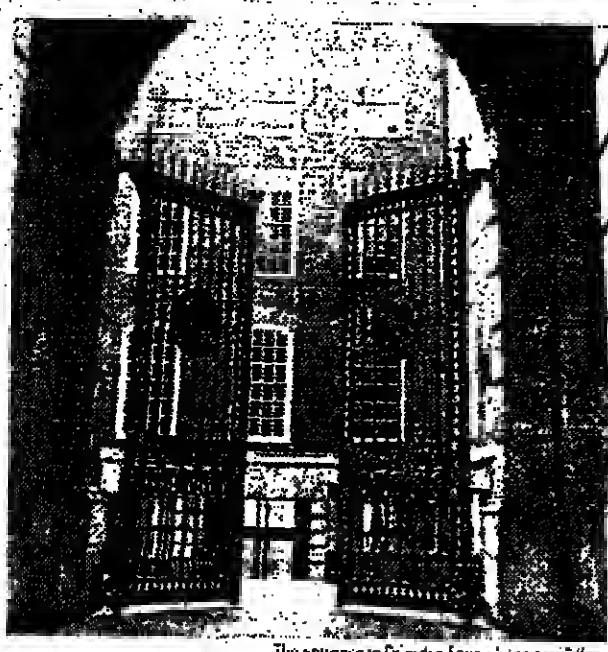
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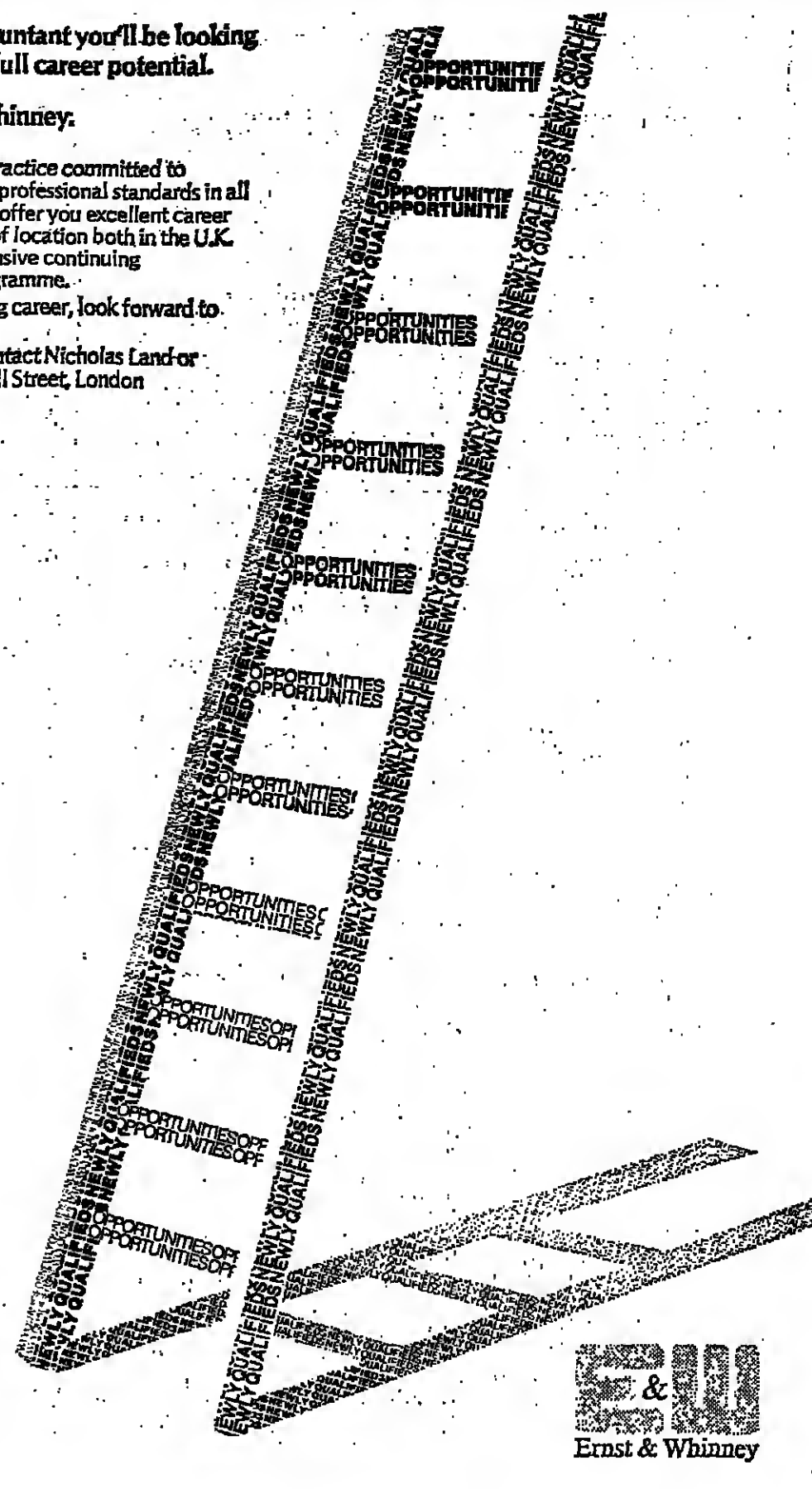
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JOBS COLUMN

Real-life lesson for Europe's top managers

BY MICHAEL DIXON

"DO YOU know where to find Phil Smith, Roy Curry, Richard Gray and Alan Plumb?" asked a voice on the telephone recently. "There's a headhunting firm that wants to know their addresses."

As it happened, I did know: they all work as marketing specialists with Shell UK Oil. The reason was that but a few days before I had stood with a hundred other people in Copenhagen, and applauded as the Shell quartet were handed the European Management Cup by Britain's only woman ambassador, Dame Anne Warburton.

When she accepted the engagement, the British Ambassador to Denmark could not have known she would be presenting the prize to a team from the United Kingdom. This year's European management championship might equally have been won by Denmark, or Finland, or France, or Ireland, or Norway, or Sweden or West Germany—if, that is, any of them had directed their national consumer-durable company as well as the UK players did through the cruel slump imposed on all alike by the computer-based contest's program.

But in the event, they didn't. At the end of the equivalent of 15 months trading, the four from Britain had accumulated a profit of almost £17m, and given the rest of the best of Europe an

undeniable drubbing. Their winning margin over Ireland in second place was nearly £5m, one of the largest recorded since national and international championships were originated by the Financial Times 10 years ago. In conjunction with ICL and the Institute of Chartered Accountants in England and Wales. The Confederation of British Industry and the Institute of Directors have since become associate sponsors.

So nobody can doubt the ability of Messrs Smith, Curry and Plumb, all aged 27, and Richard Gray who is no less than 30, at playing computer-based management competitions. But that still leaves a question of central importance to anyone thinking of following their lead by playing in next year's £7,500 UK championship, for which the entry lists have just been declared open. The question is: what, if anything, have the many hours spent running a "paper" company taught them, which is of use in their real-life careers?

To find out, I went and confronted the new European champions in Shell's private pub just off the Strand in London. Before I report their scrupulously sober conclusions, however, I had better outline how the national and international contests are played.

When the entry list closes in November the whole field of

would-be national champions. will be divided into playing groups of four, or in the occasional instance, of three or of five teams. Each team will then be sent a set of accounts and a market report representing their company. And at the outset, every company will be in an identical business position.

In addition, there will be a "Treasury forecast"—which in this case has the unusual attribute of being rarely wrong—of the economic conditions the teams are to suffer at the best of the computer program. If the players read the forecast carefully enough, they might also pick up advance warning of a strike, a factory fire or some other managerial nuisance lurking on the not-too-distant horizon.

Stiff rates

Each team then has to decide how much of its cash, which can usually be supplemented by borrowing at interest rates which are usually stiff, to allocate to the various "functions" of its business. As well as marketing and running and perhaps expanding the factory, the functions include research and development, transport, and certain management services which can extend as far as industrial espionage. Each team also has to decide what prices to set for its product in the

various markets available. If the playing group is of four companies, each will have a "home" market in which it has the advantage of lower distribution costs; there will be a fifth market in which all compete on equal terms; and there will be the option of bidding for a bulk contract from the Government as represented by the contest's administration.

Having decided how to allocate its money and on its prices, every team records the decisions on a form and posts it to the administrators, whose address from next Monday will be The National Management Game, Beaumont, Old Windsor, Berks SL4 2JP. The sets of decisions made by the teams in each particular group are fed together into the computer, which thrashes out the consequences for each of the teams, sending it back a print-out recording its new business position. This is then used as the basis for the team's next set of decisions. After five or six rounds of decision-making, the company with the highest profit is declared the winner and goes forward to the next stage of the championship.

"So when you're playing," said Richard Gray, "you can't help getting very much involved with the peculiar habits of computers. As market analysts with Shell, of course, we're no strangers to those already, and

I'd say we've learned more of the limitations of computer modelling than of anything else about the damn things. But for anybody with little experience of working with computers, playing would be a good introduction."

Teamwork

In a similar way, the double champions agreed that the contest would provide good training in working as a team to sort out complicated problems and reach agreement on the best ways of dealing with them. They had, however, also learned that already in their jobs with Shell.

By this time, I was beginning to feel uneasy, and edged forward in my seat. But was there not anything, I inquired with some emphasis, that they had learned for the first time by way of some small return to their company for financing their entry from its management training budget?

For perhaps five seconds they left me wriggling anxiously in silence, before all answering with one voice. "Yes. Cash."

"That only if you generate enough cash can you put yourself in a position to make the right managerial decisions in other ways," continued Phil Smith, who led the team to its victories.

They went on to explain that people like themselves in staff jobs with big organisations tended to be very much insulated from the discipline imposed by cash flow. "So it came as a revelation," said Richard Gray. "Generating cash is vital not just to small businesses, but also to the top management of mammoths."

"If we were up in the Boardroom we'd of course be concerned with investment decisions and so on," added Phil Smith.

"But we couldn't be unless we could first be sure of the cash," Alan Plumb and Roy Curry objected in unison.

As for the rest, well... If they'd been accountants and known about cash already, they would have learned to be less concerned about measurements such as return on investment than about the market and what it would bear, and to recognise when the time has come to stop refining the analyses and start making assumptions and acting on them. Production managers, on the other hand, could probably learn even more—such as "it's not how you produce, as much as how you sell it."

So it seems that, as the person who first thought of holding national management championships, I wasn't wasting my mental energy and other people's time and money, after all.

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مكتبة النخيل

U.S. Research and Sales Executive

The company is a well funded and profitable international stockbroking and investment banking firm. It specialises in the development of institutional business in the United States and Far East, through offices in the U.K., U.S., and South East Asia. Company growth is rapid and reflects the level of expertise of the team.

A direct result of the expansion is the need for a young man or woman with entrepreneurial flair, considerable confidence and the ability to make a mark with the most senior corporate executives. The post, which is London based, offers an unusual and satisfying combination of undertaking investment research into U.S. companies and making recommendations to U.K. and Continental investors at first hand. Vital qualities include numeracy, commercial intuition and a good all round understanding of U.S. and world economic factors. Candidates would most probably be in the age range of middle-twenties to early thirties and have an existing track record in U.S. securities sales. However, applicants with a background of Law, Accountancy, Merchant Banking or Economics may also be considered.

Career prospects for a self-starter, able to work in a small team, are excellent. Basic salary is negotiable, depending on age and experience and will be competitive. However, if the applicant is successful in the position, a significant proportion of the total remuneration will derive from bonuses based on the firm's results and personal contribution to them. In due course there exists the prospect of equity participation. The successful candidate should be prepared to travel overseas, including regular trips to the United States.

Please forward full details quoting Ref 1672. All applications will be forwarded directly to our client, in the strictest confidence.

Charles Barker

RECRUITMENT ADVERTISING SERVICES
30 Farringdon Street, London EC4A 4EA. 01-236 3011

This advertisement is featured on page 599019 of Prestel

Finance Director (designate)

Crawley to £14,000 + car

Wicanders (GB) Ltd., is the UK subsidiary of the Swedish Wicander group, the world's leading company manufacturing and marketing cork based floor and wall coverings for the construction and retail markets.

Reporting to the managing director, the finance director will have full responsibility for the finance function, including in house EDP. As a member of a small, young management team, the appointee will be expected to make a major contribution to the overall direction of the business.

Applicants must be qualified accountants, aged up to 45, with senior level experience. In a commercial trading organisation, that must be comprehensive, and include EDP. More importantly, candidates must have the personality and credibility to be effective at all levels, and enjoy the opportunity to participate in the management of the business. The location and the benefits are attractive.

For an application form telephone 01-236 3561 (24-hour service) or write to J. H. Cobb, Executive Selection Division, quoting reference 1910/L.



Peat, Marwick, Mitchell & Co.

165 QUEEN VICTORIA STREET, BLACKFRIARS,
LONDON EC4V 3EP

Export Finance

A major international bank wishes to appoint an assistant to its Export Finance Manager.

The successful applicant is likely to be aged between 27-34 and to have had several years experience of negotiating ECGD buyer and supplier credits in a merchant or international bank in London. A working knowledge of French would be an advantage.

The position embraces all aspects of export finance and will entail contact with exporters and banks at management level. Considerable emphasis will be placed on marketing, self-motivation and a willingness and ability to generate new business will therefore be of prime importance.

The remuneration and benefits will be those normally associated with a large organisation of first class repute.

Interested applicants should write, giving full details of personal background and professional experience, to:

D. HARDEN, Streets Advertising, Hulton House,
161-166 Fleet Street, London, EC4A 2DN.

Streets Advertising

Recruitment Advertising Division

indicating the names of any companies to which applications should not be forwarded.

SENIOR POSITION available to INVESTMENT BANKER experienced in

LOAN SYNDICATION
PRIVATE PLACEMENTS
EUROBONDS UNDERWRITING

Languages: English—possibly French.

Place of Work: London or Lausanne, Switzerland (if Swiss resident).

Attractive terms of employment.

Submit offers to:

TRADITION SECURITIES LIMITED
Lee House, London Wall, London EC2Y 5AS
Attention: Managing Director

CENTRAL ELECTRIC GENERATING BOARD

Secretary to the Board

Applications are invited for the post of Secretary to the Board which is vacant due to promotion.

The Secretary has the key role as chief administrator to the Board and heads a department of 600 staff located at the Board's Headquarters in London. The nature and scope of the duties, which cover every aspect of the Board's work, demands a high level of administrative and professional skills.

The post demands managerial experience at Board, senior civil service or government level and assumes an understanding of the role of large industry within the economy; in particular the post requires an understanding of the relationship at Government/industry interfaces so that the Board's organisation and operational strategy can progress within government and other social pressures. Clearly, a mature understanding of current social values and trends, a working knowledge of legislative processes and the ability to deal with the problems of a large organisation and its adaptability to change are essential qualities for the job holder.

Applicants are likely to be at least 40 years of age and able to demonstrate evidence of mature, sustained judgement over a range of key issues and administrative responsibilities. Whilst formal academic and professional qualifications are not of over-riding importance, the conceptual and political skills demanded by the job are of an intellectual level equating to Honours degree standard.

The starting salary for this post will be circa £20,000 per annum (including London Allowance) together with the usual benefits pertaining to a job at this level.

Applications stating full relevant details and present salary to Mr. J. W. Baker, CEBG, Sudbury House, 15 Newgate Street, London EC1A 7AU by 10 October 1980. Quote Ref. FT/186.

Group Financial Director

From £17,000 + car

Our client is a rapidly growing public group with several subsidiary companies involved in metal trading and processing, and a total turnover of around £100m. An experienced senior financial executive is now required to fill a key post at the group headquarters. Reporting to the Chairman, the person appointed will be responsible for all aspects of accounting and financial management for the group, including reporting from associated companies. Aged 33 to 45, candidates must be qualified Chartered Accountants, thoroughly versed in the preparation, co-ordination and interpretation of multi-plant financial and management accounts in a process industry. Familiarity with computer-based systems, taxation, asset control, export documentation and money manipulation is highly desirable. Meticulous

over detail, it is essential that they are capable of setting and maintaining high standards of reporting to tight schedules. The ideal candidate will have a proven record of success in financial control with good all-round business acumen. Starting salary is negotiable from approximately £17,000, a car is provided and assistance will be given to relocate to an attractive part of Southern England.

Ref: AA55/745/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 68a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

SENIOR INTERNAL AUDITOR—EUROPE

Brussels based

Our client is a leading international healthcare products group with substantial manufacturing interests in Europe.

The senior auditor will be responsible for executing financial and operational audits throughout the region, planned in conjunction with the director of international audit in the USA. Additionally, special studies will be conducted for regional and corporate management.

Applicants must be qualified accountants and should have several years experience of planning and using modern auditing techniques in international organisations. Industrial experience would be advantageous. Initiative and excellent inter-personal skills are essential qualities.

Career development within the group is positively encouraged and auditors are expected to progress to key line positions. Salary is negotiable and benefits are commensurate with the nature of the position. Please send brief personal details, in confidence and quoting reference FT/121/M to Douglas G Mizon at the address below. Interviews will be held in London and on the Continent.



Ernst & Whimney Management Consultants
57 Chiswell Street, London EC1Y 4SY

Senior Appointments

NEWLY QUALIFIED
COMMERCE?

As a newly qualified Chartered Accountant the choice is yours—management auditing, financial accounting, computer technology, investment planning, financial analysis, taxation. The roles are many and varied and each one can lead you to the top.

NEWLY QUALIFIED
INDUSTRY?

The choice in industry is just as wide and in spite of the recession the employment prospects for qualified accountants in industry remain excellent. Employers welcome young accountants with enthusiasm for industry and the desire to reach the top.

For an informed discussion of your career contact the specialists
MARK LOCKETT, CHRIS DENINGTON, GORDON MONTGOMERY

ACCOUNTANCY PERSONNEL SENIOR APPOINTMENTS
41 London Wall, London EC2M 5TB - 01-588 5105

Opportunities in South Africa

The Gold Fields of South Africa Group, which currently employs over 75,000 people on its various gold, coal and base metal mines, has two vacancies at the Group's Head Office in Johannesburg for:

Mining Investment Analysts

The successful applicants will be responsible for:-

- translation of technical assessments into financial terms to provide a basis for project investment decisions;
- financial assessment of long-term planning alternatives;
- valuation of quoted and other companies.

Applicants should have a university degree, preferably in a quantitative discipline, and must have at least two years post-graduate experience in investment analysis directly related to mining or technical evaluation.

Salary will be in the region of R14,400 p.a., depending on qualifications and experience. Benefits include air passage to South Africa (including family), relocation and settling-in allowances, accommodation at the Company's expense for an initial period, non-contributory pension scheme, contributory medical aid scheme and generous leave. The cost of living and taxation are generally lower in South Africa than in the UK.

Applicants appointed will be expected to obtain permanent residence permits.

Interviews with representatives from GFSA will be held in October at the offices in London of the Group's associated company, Consolidated Gold Fields Limited. Please write, with brief relevant particulars, to the Personnel Officer (ref. GFSA), Consolidated Gold Fields Limited, 49 Moorgate, London EC2R 6BQ.

Gold Fields

Gold Fields of South Africa Limited

Management Accountant

This is a new appointment in a highly successful company, based in the North-West, which is part of a £300m group, a household name in the communications and leisure industry.

- THE PRIME TASK, which will necessitate working closely with line managers, is the development of budgeting, forecasting and cost analysis techniques. There is a support team of six.

- ONLY GRADUATE ACCOUNTANTS already in the commercial sector who possess a high level of articulation and a keenness to enter general management quickly should apply.

- SALARY is negotiable in a range starting at £12,000 plus generous benefits. Preferred age around 30.

Write in complete confidence
to N. C. Humphreys as adviser to the company

TYZACK & PARTNERS LTD

MANAGEMENT CONSULTANTS
10 HALLAM STREET LONDON WIN 6DJ
21 AINSIE PLACE and EDINBURGH EH3 6AJ

Deputy to Finance Director

c.£14,000 + Car

This is an appointment to a very successful Engineering Company located in an attractive area of the North West. The Company is an autonomous profit centre within a rapidly expanding, high technology, multi-national.

The job will provide an able professional Accountant (probably 30-35) with major managerial responsibility and the opportunity to lead the further development of advanced management and financial accounting systems. Travel to other locations world wide will be an occasional aspect of the job.

The appointee will have managerial experience of financial planning, of monthly performance reporting and analysis and of progressive cost accounting in a manufacturing organisation. Proven professional ability will be complemented with the motivation to lead a young team of accountants making an increasingly central contribution to the decision making processes of the Company. Career prospects are excellent.

He or she must clearly have the potential to take on higher level appointments within the Company or Group (not necessarily in the financial function) after appropriate development and experience.

Relocation assistance will be provided.

Apply for an application form quoting reference P. 198B, to
ERP International Recruitment Limited, Clementine House, St. Werburgh Street,
Chester CH1 2DY. Tel: 0244 517886. (Answer after 5 p.m.)
Offices in London, Chester, Jeddah, Amsterdam, Brussels, Milan and Paris.



A P BANK LIMITED

MERCHANT BANKING DEVELOPMENT

AP BANK LIMITED is seeking a young executive to help with the planning and promotion of new business development. This is an appointment with excellent prospects for a career in international merchant banking.

Applicants should be graduates and/or have an appropriate professional qualification, should be about 25-30 years of age and must have had general basic experience with a merchant bank or other banking institution.

Initial salary will be according to qualifications and experience and the appointment will carry the customary other benefits.

Please write in confidence with full c.v. to:

Mr. A. R. Merchant
AP BANK LIMITED
21, Great Winchester Street
London, EC2N 2HH

MANAGEMENT PROJECT

c. £9,000 + mortgage

Enjoy working alone? Fully conversant with management reporting, budgeting, foreign exchange? You will probably be early 30's either newly qualified or have proven ability within Banking.

For further information please call:
Margaret Smith 426 0271
ALBANY APPOINTMENTS

MONEY BROKERS DEALERS

Our client is looking to expand both its sterling and FX desks. If you have any experience 01-488 9373 or home 0256 71911

Treasury Specialist for Management Consultancy

Substantial Remuneration

We are a leading firm of Management Consultants providing financial, professional advice, usually at board level. The appointment reflects the continuing growth of our involvement in treasury work for clients. Tasks include advising on developing banking strategies, optimising funding arrangements and managing currency exposure. Our need is for an additional consultant whose technical skills and personal attributes are of the highest calibre.

Aged 28-35, candidates should have a good degree or professional qualification and at least four years' successful experience in the treasury function of a substantial group. Personal qualities must include well-developed commercial flair and communication skills.

Dealing with a wide range of clients, the work offers an excellent opportunity to broaden experience, solve complex and demanding problems, and to operate in an intellectually stimulating environment.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to G. W. Thiel quoting reference 922/FT on both envelope and letter.

Deloitte Haskins & Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

INVESTMENT MANAGER

FIXED INTEREST

MELBOURNE, AUSTRALIA

The National Mutual Life Association of Australasia Limited, one of Australia's leading financial institutions, seeks an experienced manager with an entrepreneurial flair to become part of a highly successful and progressive investment management team in its Head Office, Melbourne.

The successful applicant will participate in formation of overall investment strategy and will be directly responsible to the Chief Investment Manager for:

1. Strategy formation for its fixed interest portfolios;
2. Active management of one of the largest gilt and debenture portfolios in Australia;
3. Active management of a substantial money market book. A proven record in money market management and gilt trading is, therefore, essential;
4. Providing advice and assistance to other members of the National Mutual Group which includes activity in the Building Society, Merchant Banking and Finance Company fields.

We offer an attractive salary package, appropriate to this senior appointment, including relocation costs.

Write or telephone for an application form to:

M. J. Cummings,
Personnel & Training Officer,
National Mutual Life Association
of Australasia Limited,
Austral House,
Basinghall Avenue,
London EC3 9EP
Telephone: 01-638 1222



Head of Accounts

Leatherhead £10,000-£14,750

PIRA is the technical consultancy, research, information and training centre for the Paper and Board, Printing and Packaging Industries.

Expanding commercial work (t/o £24m) offers a rewarding post for an experienced Management Accountant in charge of all accounting and finance. He or she will have the drive to modernise existing systems and introduce EDP to provide vital management information.

Reporting to the Director the systems will cover contract consultancy, product sales and subscription funded activities.

Applicants must be qualified accountants probably aged 30-40 with experience of computerised accounting, managing staff, costing and provision of management information.

Starting salary: £10,000-£12,750 and possibility of increases to £14,750. Removal assistance to this pleasant area of Surrey and a very good pension scheme.

Further details from:

Head of Administration
PIRA
Randalls Road, Leatherhead
Surrey KT22 7RU
Tel: Leatherhead (087 23) 76161

EUROPEAN ADVERTISEMENT SALES REPRESENTATIVE

A vacancy exists for a European Advertisement Sales Representative who will be based in London. A good knowledge of European business and fluent Spanish are required. Salary dependent on qualifications and experience.

Applications, accompanied by a curriculum vitae, should be forwarded to:-

Miss Fionnula O'Hara
European Advertisement Department, Room 414
Financial Times, Bracken House,
10 Cannon Street, London EC4P 4BY

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

ACTION RESOURCE CENTRE

DEPUTY DIRECTOR: £8,000+

The Action Resource Centre (ARC) is a national organisation that links over 200 large and medium sized companies to projects of community benefit.

Through ARC's current programme, secondees from supporting companies offer business expertise to help new enterprises likely to create new permanent jobs or relevant training. The Deputy Director will be based in London in a small central team. Responsibilities include financial and systems management for ARC's offices in England and Wales.

Write for application form and job description to:
The Secretary, Action Resource Centre,
Henrietta House, 9 Henrietta Place, London W1M 9AG

Financial Controller

For fast growing operation

Central London

to £15,000 + Car

Our client is one of the few companies which has been able to sustain its growth in today's troubled economic conditions. The rapid expansion of its High Street Service/Retailing operation (T/O approximately £5m) shows no signs of abating and plans for further development are being actively pursued.

A high calibre commercially orientated Financial Controller is now required to be responsible to the Chief Executive for all financial and company secretarial aspects of the business.

You will be a Qualified Accountant aged up to about 40 with a record of effective financial control, including ad hoc investigations, in a small fast expanding business.

If you want total business involvement and can offer that unique blend of sound financial expertise and keen business awareness, this position could be of considerable interest to you. Prospects of a Board appointment with equity participation are excellent.

Please send concise personal, career and salary details, or apply for an application form, quoting Ref. ACS04/FT to:

W.S. Gilliland, Thornton Baker Personnel Services Limited,
Fairfax House, Fulwood Place, London WC1V 6DW
Telephone: 01-405 8422.

A member of the Management Consultants Association

Chief accountant

London, c.£13,500 + car



For a nationally known and long established publishing organisation now wishing to strengthen its accounting function, to coincide with the introduction of computer based systems.

Reporting to the Financial Director, you will head a department of around 30 financial and management accounting staff.

You should be a qualified accountant over 35 with sound technical skills and a proven ability to manage staff of long service and experience.

Resumes including a daytime telephone number to EH Simpson, Executive Selection Division, Ref. SA681.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited - management consultants

Shelley House, Noble Street
London EC2V 7DQ

Manufacturers Hanover Trust—London

Latin American Region

Manufacturers Hanover seek two bankers to join the team which forms part of the International group in London responsible for the development of our correspondent banking business in Latin America and Iberia. The senior position should lead shortly to Assistant Vice President rank and the more junior position would suit a candidate with a few years' experience and the potential for a managerial appointment in due course. Both will require reasonable fluency in either Spanish or Portuguese, willingness to travel and relevant experience including documentary credits, loan negotiation and preferably also export finance.

The positions offer attractive salaries and other benefits and the opportunity for posting overseas in the future.

Please apply to:-

The Vice-President
International Banking Group
Manufacturers Hanover Trust Company
P.O. Box 562, 7 Princes Street
LONDON EC2P 2LR

Jonathan Wren Banking Appointments

The personnel consultancy dealing exclusively with the banking profession



A few of our more urgent current assignments:-

- LENDING/BUSINESS DEVELOPMENT (U.K.)... to £20,000
- SENIOR RETAIL BANKERS (fluent Arabic or Urdu).....c. £12,000
- SENIOR F.X./DEPOSITS DEALERS (London and Middle East).....Negotiable
- YOUNG A.C.A. (accounting experience within financial institution).....c. £10,000
- SENIOR BANKER (Manchester) (New Venture).....to £15,000
- MANAGER SYNDICATIONS CORPORATE FINANCE (fluent French).....to £18,000
- FOREX DEALER (Spanish speaking).....c. £11,000
- OPERATIONS (AVP status).....£12,000
- SENIOR STOCK EXCHANGE DEALER (Broking).....to £20,000
- BOND/FUND MANAGEMENT - INTERNATIONAL (London).....c. £15,000
- MERGERS AND ACQUISITIONS.....Negotiable

For further details of these and other opportunities please contact Ken Anderson or Brian Gooch.

First floor-entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

TREASURY SERVICES

MAJOR INTERNATIONAL BANK

Our Client is a prominent international bank with an established reputation for the quality of its treasury operations, resulting from an active and effective foreign exchange dealing room.

Current plans call for the further development of foreign exchange and treasury activities with the bank's corporate clientele. Candidates for this key appointment will be in their late 20's and possess a positive background in foreign exchange dealing gained from within an international bank or the treasury department of a multi-national corporation.

This opportunity will provide the scope for a challenging career and will be matched by a competitive salary and attractive fringe benefits.

Contact Norman Philpot in confidence
on 01-248 3812

NPA Recruitment Services Ltd

60 Cheapside London EC2 Telephone 01-248 3812 3 4 5

Senior Management Accountant

BNOC (Development) Limited is concerned with the exploration and development of oilfields on the UK Continental Shelf. Within this operation there is a current requirement for a highly capable Accountant whose main function will be to provide a financial information service for the compilation, monitoring and control of budgets, in close liaison with the Corporation's trading partners.

To meet the demands of this senior post a sound (7-10 yrs) accounting track record is required which should include supervisory experience plus an organised and flexible approach. Formally

qualified you will ideally have some knowledge of oil-related industry and to cover your responsibility for systems reviews and update, be conversant with computers.

A very attractive salary and benefits package will be offered in line with the progressive nature of the industry, and relocation assistance would be available.

To apply, please contact, quoting ref HK/FT

The Senior Personnel Officer
The British National Oil Corporation
150 St. Vincent Street
GLASGOW G2 5LJ
Tel: 041-226 5555



The British National Oil Corporation

FOREIGN EXCHANGE DEALER

A foreign exchange dealer with about 3 years experience in spot and forward foreign exchange trading is required for the well established London foreign exchange trading team.

The position carries a competitive salary and the usual range of London bank fringe benefits.

Applications should be made in writing, accompanied by a fully detailed curriculum vitae to:

Mr. R. G. Stevenson, Assistant Vice-President and Personnel Manager,
Wells Fargo Bank N.A., Winchester House, 80 London Wall, London EC2M 5ND.

Wells Fargo Bank N.A.



Special Projects Accountant c.£10,000

Our client is an autonomous Division of one of the U.K.'s leading industrial groups. The vacancy for a Special Projects Accountant is based at the company's Head Office in London.

Applications are invited from well experienced, qualified accountants—ideally in their early 30's—who have the ability to work at a high level, under pressure, with a minimum of supervision.

Reporting to the Financial Director, the successful candidate will be required to carry out special investigations into possible new business ventures and carry out business valuations. He or she will also be required to make a contribution to, and become involved in, business planning procedures, control data design, capital project appraisals and evaluations.

Please write with a comprehensive CV together with salary history to Position Number BSS 8030, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

Austin Knight Advertising



JAPAN

Institutional salesperson required to join expanding Japanese trading department of leading stockbrokers in London. Sales experience essential and knowledge of Japan preferred. Ability in European languages would be an advantage.

Replies to Box A.7303, Financial Times
10, Cannon Street, EC4P 4BY

PARIS BASED

Travel To £15,000
An excellent opportunity to join a multi-million dollar American corporation in one of their European locations. The position is strictly operational and will involve travel to Germany and Spain as well as English speaking countries. Some knowledge of German or Spanish is essential. Promotion to a line position would be anticipated within about 18 months. Newly qualified accountants (or finalists) preferred.

CORPORATE PLANNING

N. London £10,500
A UK manufacturing group with an international marketing network seeks a young MBA or Economics graduate with previous commercial experience in a financially orientated role. The varied work content will include economic appraisals, market investigations and wide ranging financial analyses. Exposure to senior management will be high as this small department is based at the group's head office. Promotion prospects are good and may well be into a senior line or staff function.

COMPANY ACCOUNTANT

S. London c£9,500 + Benefits
An expanding company in the commercial catering industry are currently seeking an ambitious accountant to join their young management team. The Company Accountant will be responsible for the preparation of both monthly management and financial accounts whilst also performing a supervisory/administrative function. The ideal candidate would be a newly qualified ACCA (or finalist) aged around 27 with previous experience in commerce or industry. Excellent career prospects.

AUDITOR

C. London £9,000 + Car
A diversified group with a turnover in excess of £100m and interests in service, consumer goods and advanced technology industries seeks an ACA with large firm experience. Working in a highly computerised environment he/she will do very little detailed checking, main responsibilities being systems audit, management reviews, identification of problems and action recommendations. Travel mainly in UK plus some in Europe.

GENERAL MANAGEMENT

C. London To £9,000
This new position is intended to provide the one year/18 month probationary period for a qualified ACA to make an early entry into general management. Our client seeks an ambitious self starter with a strong commercial awareness. His/her personality and communicative abilities will not be overlooked and long term career progression within the group to the upper echelons of management will be expected to be within his/her capabilities as well as intentions.

Lee House, London Wall, London EC2Y 5AS Tel: 01-606 6771

ROBERT HALF
Accountancy & Financial personnel specialists

Financial Accountant c.£9,500

A leading industrial organisation now has a challenging opportunity in its group financial department in West London.

The post calls for a young qualified accountant, ideally with experience in a major professional practice or commercial concern. An above average ability to communicate with accountants at all levels and ages and the strength of personality to ensure adherence to reporting policies are important attributes.

Within strict time parameters the role covers all aspects of financial accounting using computerised systems and offers excellent experience at large group level. There are good prospects for personal development and promotion.

Please telephone or write in confidence to:
MANN MANAGEMENT, 124 New Bond Street,
London W.1. 01-629 4226.

MANN
MANAGEMENT

TIRED OF TRAVELLING?

Member firm of stockbrokers require partner's assistant at their Southampton office. Previous stock exchange experience essential. Good terms and opportunities for advancement offered to right applicant.

Write to:

Senior Partner, A. H. COMMOLO & CO.,
61 Devonshire Road, Southampton SO9 1XL

APPOINTMENT ADVERTISING

Rate £19.50 per
single column
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MANAGEMENT ACCOUNTANT

Levi's

The European Group is just relocating from Brussels to a new HQ at WEMBLEY PARK.

A FINANCIAL ANALYST is wanted, reporting to the Director of Finance and Administration for a full range of reporting, analysis, planning and co-ordination activities.

The environment will be dynamic, opportunities for growth significant, and everyone loves the product.

Applications with cv from persons 24-30 years with relevant experience, preferably with an American MNC, and with a management accounting qualification or business management degree, to:
Group Personnel Manager,
61 Berners Street, London, W.1

Salary range around £9,000 p.a.

Financial Accountant from £12,000+car: London

Our client, a successful and leading British Group with an outstanding export record and overseas interests in printing, engineering, electronics and allied fields, seeks a Senior Financial Accountant to join its London Head Office.

The successful candidate will act as deputy and report to the Group Financial Accountant. Key responsibility will be for the preparation of periodical and annual consolidated accounts and for regular reporting on the Group's financial position, UK and overseas, both present and projected.

Candidates, mature and qualified accountants, probably in the age bracket 30 to 45, should have a broad accountancy background, that should ideally include experience in manufacturing, commercial and financial environments. The nature of the work is extremely varied and the ability to operate as a member of a team within the Group structure is essential. The job offers good prospects for promotion in the longer term.

Salary will be from £12,000 depending upon experience. Excellent benefits include company car, free BUPA, contributory pension and life assurance schemes, season ticket loan and 25 days' holiday.

Please telephone (01-629 1844 at any time) or write—in confidence—in the first instance for a personal history form. M. Hordern ref. B.1752.
This appointment is open to men and women.

United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.
MSL
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

AUSTRALIA

Our client seeks a rare person

FINANCIAL/RESEARCH ANALYST

- COMMERCIAL FLAIR
- Good grasp of STOCKMARKET
- Drive for HIGH EARNINGS

One of Australia's long established stockbrokers based in Sydney seeks an outstanding analyst to join their successful management team. This person will have many distinctive qualities, not the least of which will be the ability to evaluate good 'value for money' stock, and to develop new customer services/products of a strongly commercial nature.

Although not necessarily currently in stockbroking, candidates must have a close understanding and deep interest in the stock market. Some knowledge of the Australian scene is essential.

This is not a run of the mill research position. It calls for an unusual combination of qualities, difficult to find in one person: creative, clear, lucid and lateral thinking; a love and care for good English expression; a warm, outgoing, non-backroom personality with good social skills.

Age is not a major consideration but possibly mid thirties to mid forties. A base salary is envisaged of not less than \$A40,000 per annum. There is an additional incentive of a generous 'money in the pocket' monthly bonus scheme. If desired, there are definite partnership prospects, but these will have to be earned.

Please write in confidence to Mrs. S. Spencer, Korn/Ferry International Limited, Executive Search Consultants, 2/4 King Street, St. James's, London SW1Y 6QL.

2784

MORE SCOPE IN A NEW CONTAINER TRADE

c.£9,250

A major City shipping organisation, part of a multi-national diversified group of companies is soon to start a container service to the Arabian Gulf and is in the process of setting up a new department for its implementation and operation.

As an ambitious young accountant, preferably qualified or alternatively with experience of container/ship operations, you will welcome the opportunity to set up and run the accounting function for this important development area.

Your duties will embrace both management and financial accounting as well as

control of a small team. You will also represent the Company in discussions with overseas agents and other shipping lines regarding joint services, once familiar with Company policy and procedure.

You will earn c. £9,250 and Company benefits which include LV's, flexi-hours, pension scheme, staff discount and season ticket loan.

Please telephone Lois Pope on 01-404-5701 (24 hours), or write to her at CRIPPS, SEARS & ASSOCIATES, Personnel Consultants, Burne House, 88-89 High Holborn, London WC1V 6LH.

The above position is open to both men and women.

Cripps, Sears

GENERAL MANAGEMENT (Speciality Chemicals)

A PRODUCT LINE MANAGER is required for the Service Chemicals Division which is a subsidiary of one of the world's largest multi-national industrial corporations. This Division manufactures and sells chemicals for the paper, food and other general industries.

Sales, Marketing, Manufacturing and R & D Managers will answer to the Product Line Manager. Sales are already £2m and will double in four years through market expansion and the introduction of new products and technologies.

APPLICANTS SHOULD BE:

- Technically qualified. Graduate preferred.
- 35/45 years of age.
- Experienced in the Sales and Marketing of Speciality Chemicals.
- Innovative and commercially competent.
- Capable of professionally managing a young, effective team.

The appointment is located in the London area and a salary of £15,000-£20,000 is proposed.

Reply in guaranteed confidence (enclosing a curriculum vitae) to:

A. H. & A. EXECUTIVE SEARCH CONSULTANTS
4/5 De Wenden Court
25 New Cavendish Street
London W1M 7RA

Manager

Computer Audit Development LONDON c£16,500

British Gas require of London HQ a Manager with proven computer audit ability, to be responsible for development of computer audit techniques and practice. Candidates, male or female, should be qualified accountants with DP audit experience or computer professionals with audit experience.

Responsibilities will include: audit of HQ systems; control and direction of computer audit training; appraisal of all industry-wide computer based systems; monitoring the standards of computer audit in 12 Regions; leading the HQ Computer audit team of four accountants and DP professionals; liaising with other specialist sections of the HQ audit team.

Career prospects are excellent and the benefits package, including assistance with relocation expenses if appropriate, are those normally associated with a large progressive organisation.

Please apply in writing, giving details of age, qualifications and experience, quoting ref/036401/FT to:
The Personnel Manager (HQ),
British Gas Corporation, 59 Bryanston Street,
London W1A 2AZ.

BRITISH GAS

For these and other choice opportunities, call
Christopher D. Stock FCB AECI(Lic) or
Anthony J. Owens MECI on 01-481 8111

£8,000 Accountant L1607 Chelmsford Excellent prospects System going on-line	£12,000 Accountant L1608 London International Company Qual. with insurance exp.
£8,500 Fin. Accountant L1605 London Prof. 30+ Insurance Brokers	£7,000 Internal Audit L1601 Hertfordshire Major trading group Pl. qualified ideal

BANKING & ACCOUNTANCY PERSONNEL SELECTION
Little Avenue House, 9 Little Avenue, London EC2N 3ES. Tel: 01-481 8111.

INTERNATIONAL TAX DEVELOPMENT

Europe

£15,000 - £20,000 +

Internationally recognised as one of the leading firms of chartered accountants operating in Europe, our client has a well established and fast developing international tax practice based in The Netherlands.

To cope with current and projected expansion, they now wish to recruit a qualified chartered accountant with a sound knowledge and understanding of U.K. tax. Ideally, candidates should have an interest in developing their expertise in international tax planning, and while previous experience is an advantage, enthusiasm and a willingness to learn are of prime importance.

The firm's rapid development also provides an additional vacancy for someone who, while having limited experience, displays real enthusiasm for this type of work.

To operate effectively at this level, a knowledge of, or a commitment to learning a second European language is essential.

For more information please contact Hazel Webber B.A. or Richard Norman F.C.A. at 410 Strand, London WC2A 0NS, Tel. 01-836 9301, or Barbara Lord M.Sc. A.I.P.M. at 25 West Nile Street, Glasgow G1 2PF, Tel. 041-226 3101, quoting ref. 2971.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants



and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7144)

International EDP Auditor

We wish to engage an International Internal Auditor, to be resident in the United Kingdom, based in Portsmouth.

Responsible through the Senior International Auditor in Portsmouth, to the Chief Auditor, Home Office, Zurich, the successful candidate will undertake computer audits in Europe (including UK), U.S.A., Canada and Australia. European involvement will be dependent on expertise in foreign languages. Visits to each country will normally be for periods of between 1 and 4 weeks duration and will occupy about half the working year.

Applicants, who may be male or female, may have either an accounting or computer background. If accounting, they should have at least 5 years experience of which

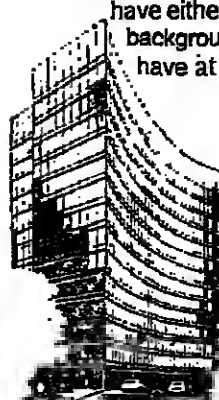
2 should have been in an EDP environment. If computing, they should have at least 4 years experience in systems analysis and programming, of which 18 months should have been at a senior level, preferably with financial systems.

Experience of using audit or other packages to extract and control data would be an advantage, as would experience of IBM equipment. The ability to speak French or German, would be a considerable asset.

Salary will be negotiable up to £12,000 depending on experience and could perhaps be more for an exceptional candidate. Additional benefits include subsidised mortgage, non-contributory pension and free Life Assurance. Re-location expenses, if necessary, will be paid by the Company.

For full details please write giving a career history to:-

Mr. H.E. Kemm, FCA, MIMC,
Senior International Auditor,
Zurich Insurance Company,
P.O. Box 20,
Zurich House,
Stanhope Road,
Portsmouth, Hants PO1 1DU.



Zurich Insurance

ADVERTISMENT SALES EXECUTIVE

In just two years World Business Weekly, the American magazine published in New York by The Financial Times, has proved itself one of the most striking innovations in international business publishing. With a current circulation of 20,000 (rising fast) and an elite readership among internationally-minded business people in America, it's attracting a growing number of blue-chip advertisers.

Now World Business Weekly needs two more London-based Advertising Sales Executives. The London office of WBW controls all sales of advertising outside the Americas—sources include Britain, continental Europe and many overseas territories. At least one of the successful candidates will be required to travel abroad, so an international outlook and some flair for foreign languages would be useful assets.

Salary and conditions are for negotiation but are likely to attract high calibre applications. A commission scheme is in operation. If you can sell advertising space please write, giving details of your experience and background to:

The Personnel Officer, Financial Times,
Bracken House, 10 Cannon Street, London EC4A 4BY

Marketing Investment Services

The London-based Marketing Director—Europe, Middle East, Africa for the international investment management arm of one of the largest and most prestigious American commercial banks is seeking an Assistant.

The successful candidate will travel frequently throughout the territory to call on clients, make product presentations to the group's investment services representatives and assist in the opening of new offices. This post represents a career opportunity with our client and the successful candidate will have considerable scope for enhanced responsibility in the bank in future.

The ideal candidate will have had at least three years experience in commercial banking, merchant banking or stockbroking with an American or European institution; will have an excellent educational background; will be multi-lingual; and will be an ambitious and sophisticated extrovert who can be relied on to maintain absolute discretion. An attractive salary and benefits package is being offered.

Please reply in strictest confidence to:-

Box FT/636,
St. James's Advertising & Publishing Co. Ltd.,
Hanway House, Clark's Place, London EC2N 4BJ.

Investment Communicator

Abbey Life Investment Services is responsible for the investment management of assets in excess of one billion pounds on behalf of Group companies including Abbey Life and Abbey Unit Trust Managers.

It is our intention as part of our overall business development plan to generate systematically a greater awareness of the investment products and services available.

In support of this task we wish to appoint someone with a clear understanding of investment matters, to be responsible for the original research and provision of investment reporting and marketing material relating to the Group's complete range of unit linked life and pension funds and unit trusts.

As a newly created position its parameters will be subject to progressive redefinition and it will offer interesting career prospects to a person of initiative.

Excellent analytical skills and the ability to assimilate and communicate complex investment data in a creative manner are prerequisites. Candidates, male or female, are likely to be aged between 24 and 32 and must possess a good Honours Degree.

The successful applicant will be based in our London office at St. Paul's. The initial salary will be in the range of £9,000 to £12,000 per annum plus substantial fringe benefits including mortgage subsidy, non-contributory pension scheme, free life assurance and travel warrant.

Please apply in writing enclosing a comprehensive CV to:

D.G. Glasgow,
Assistant Executive Director,
Abbey Life Investment Services,
13, St. Paul's Churchyard,
London, EC4M 8AR



Abbey Life Investment Services

EUROBOND SETTLEMENTS

London subsidiary of International Trading and Banking Group require experienced person to manage their Settlements Department.

Salary negotiable and commensurate with experience.

Write with full details:

Box A7308, Financial Times,
10 Cannon Street, EC4A 4BY

Accountants for PARIS

Attractive salary
+ 1st Class benefits

Due to internal promotion an internationally famous company in the beverages and food industry requires several newly, or recently qualified accountants to join their department based in Paris.

The work involves management reviews of the company's operations throughout Europe reporting directly to the New York Head Office.

A working knowledge of Spanish or German is essential as also is the ability to communicate with all levels of management.

The appointments are viewed as long term career opportunities with excellent prospects.

To apply please telephone or write, quoting reference 4055.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

Company Accountant S.W. London

Glenhill Furnishings is the furnishing subsidiary of this major private Group and is a market leader offering a comprehensive commercial and residential Design and Furnish services at home and overseas.

We need a qualified accountant aged 30-40 with at least 3 years' experience in a trading or contracting environment. He or she must be commercially aware and able to lead an established department as an active member of the company's small management team.

Responsibilities include the full range of financial management with tight monthly reporting and a close involvement with costing quotations and tendering; export experience desirable. Salary negotiable from £9,000 plus profit share, car and benefits.

Please call or write in confidence with concise career and personal details to: Martin Foran, Personnel Director, J.E. Lesser and Sons (Holdings) Ltd., 141-149 Staines Road, Hounslow, Middlesex. Tel. 01-570 7755.



GLENHILL
THE LESSER GROUP OF COMPANIES

TRUSTEE SAVINGS BANK of Eastern England

have a vacancy for an

EXECUTIVE OFFICER - COMMERCIAL LENDING c. £10,750

This newly created position is based at the Regional Head Office in Peterborough.

It is a middle management appointment carrying a commencing salary c. £10,750 as part of remuneration package commensurate with a leading Banking Organisation and offers considerable scope for advancement.

Applicants must be professionally qualified, have a Clearing Bank background and a sound experience of commercial lending and finance coupled with a proven ability in the assessment of loan applications through the full range from limited liability companies to small businesses. The ability to develop and expand this area of operations through the Branch network is of prime importance.

The successful candidate will be presented with both a challenge and an opportunity to demonstrate ability in making a significant contribution to the Bank's future expansion in this field.

Applications, together with a detailed curriculum vitae should be addressed to: Assistant General Manager - Personnel, Trustee Savings Bank of Eastern England, Regional Head Office, Apex House, Oundle Road, PETERBOROUGH, PE2 9NW.



Financial Director

Tyneside c.£15,000 plus car

Our client, a private company in the leisure industry based in Tyneside but with interests in other parts of Great Britain, is seeking to recruit a Financial Director.

Applications are invited from qualified accountants aged 28/35 who, ideally, have several years recent experience in the financial role of a substantial private company. Involvement in the leisure industry, particularly in statistical control of branch operations as well as computerisation would be useful.

The position provides an opportunity for a well motivated commercial accountant with an entrepreneurial instinct to join a young, dynamic management team and make a substantial contribution to the company's future growth. In addition to an attractive commencing salary there will be additional fringe benefits connected with a post of this kind. Adequate re-location expenses will be provided.

Interviews will be conducted in London and Newcastle.

This appointment is open to both male and female candidates who should send adequate particulars initially, in confidence, to Peter Lee-Hale, Personnel Services Division of:-



Spicer and Pepler
Management Consultants,
St. Mary Axe House, 56-60 St. Mary Axe,
London EC3A 8BJ.

FINANCIAL DIRECTOR

A successful subsidiary of a USA public company based in London and operating in UK and West Europe, in capital goods manufacturing and marketing, requires a Financial Director. Reporting to the Managing Director, he/she will control the entire accounting, information systems and administrative functions using their already substantial experience in the controllership function, acquired in a dynamic medium to large organisation.

Growing involvement in the management of the company. Qualifications: qualified accountant and relevant degree.

Personal qualities: Enthusiasm, good communicator, commercial acumen. Desire to understand the business through involvement. Under 42. Benefits: depends on experience, etc. Neg. £14,000, car, pension scheme, etc.

Apply: Managing Director, Box A7305,
Financial Times, 10 Cannon Street, London EC4A 4BY

INTERNATIONAL BANKING

PROJECT ANALYSIS/ACCOUNTING

to £8,000

An unusually vigorously expanding city bank seeks someone with good accounting skills and an enquiring mind to assist with its development planning and monitoring.

EUROCURRENCY LOANS ADMIN.

c. £7,000

Quite recently established London branch of international bank offers challenging opportunity to young Banker, 25+, with sound practical experience and preferably supervisory ability.

FOREIGN EXCHANGE POSITIONS (2)

to £6,000

Both of these glamorous demanding, even if basic, experience but, being based in the Dealers Room of actively trading international banks, offer excellent career prospects.

ACCOUNTANCY/RECONCILIATIONS

c. £6,000

This is not just a "ticking and checking" job but one that requires the ability to handle a wide range of accounting aspects and all the attendant queries.

To discuss these or your own particular requirements please telephone Ann Costello or John Chiverton A.I.B.

JOHN CHIVERTON
ASSOCIATES LTD.

31, Southampton Row,
LONDON, W.C.1
01-242 5841

AUSTRALIAN STOCKBROKERS INSTITUTIONAL ADVISOR

Meares & Phillips, a Sydney-based institutional firm of stockbrokers with a long-established UK and Continental business based upon continuous fundamental research, is seeking an additional institutional advisor for its representative office in London.

The prospective candidate must have a proven record as a successful institutional advisor but not necessarily in the Australian market. His role will consist of advising London and Scottish institutions on the Australian market.

The successful applicant is unlikely to be earning less than £15,000 in his present position and will be of partnership calibre.

Please send written applications to:

The London Partner,
Meares & Phillips Representative Office,
c/o Euro Australian Nominees Pty. Ltd.,
114/115 Warrford Court, Throgmorton St.,
London EC2N 2AT.

A Sydney partner will be in London to conduct interviews with the London partner during the next three weeks.

FINANCIAL ACCOUNTANT

The company is part of an international group with a high reputation for quality products.

The Financial Accountant will in addition to the responsibility for the control of the Financial Accounting Department also be responsible for the IBM System 24 Computer.

Applicants should be qualified accountants with preferably industrial experience in manufacturing and distributive companies. Some knowledge of computers is also considered essential.

An attractive salary commensurate with experience together with fringe benefits will be offered. Assistance with relocation where necessary will be given.

Please apply in writing to:

The Financial Director
CARL FREUDENBERG & CO. (UK) LTD.
Lutterworth, Leicestershire LE17 4DU

Corporate Finance Executives

We require young Executives who can contribute to our growing international merger and acquisition, and corporate advisory activities.

We are especially interested in applicants between 26 and 32 years of age with experience in corporate finance. Professional qualifications in Law or Accountancy or a Business school degree would be helpful although not a prerequisite, as would fluency in French, German or another foreign language. A willingness to travel is essential.

Applications will be handled in the strictest confidence and should be sent including a full curriculum vitae and quoting ref. FT/10 to:
T. M. B. Kerrigan, Personnel Manager, Credit Suisse First Boston Limited,
22, Bishopsgate, London, EC2N 4BQ.

CSFB

EXECUTIVES Over £12,000

Job search is highly competitive - you need:
* Access to the large unadvertised job market
* Access to the many influential selection consultants
* First class research and secretarial assistance
* Career development assistance
Phone for a confidential discussion with Europe's most experienced re-deployment consultancy. If you are becoming redundant enquire how your employer can include job search services in your severance package.

Percy **COUTTS & CO. LTD**
01-839 2271
140 Grand Buildings
Trafalgar Square
London WC2

LENDING OFFICER with international banking experience and preferably having worked for overseas bank in UK. Good qualifications and a fluent Asian language essential. Salary £10,000-£12,000. Write Box A-7307, Financial Times, 10, Cannon Street, EC4A 3DF.

Rowe & Pitman

Member of The Stock Exchange London

ELECTRICAL & ELECTRONICS ANALYST

Rowe & Pitman wish to recruit an experienced analyst in the electrical and electronics sectors. Rowe & Pitman has an extensive involvement in these sectors and this is an important appointment within the firm offering attractive prospects. The ideal candidate will have had several years experience of the sectors although consideration will be given to those with shorter experience or with an industry background. An attractive remuneration package of salary and profit-sharing bonus is offered, together with a non-contributory pension scheme incorporating good life cover.

Apply with full curriculum vitae to:
P. N. Smith, Esq.
MESSRS. ROWE & PITMAN
1st Floor, City-Gate House, 39-45 Finsbury Square
London EC2A 1JA

R & P

Management Information

Major Financial Institution

Central London

c.£10,000+ benefits

Our client seeks an ambitious qualified Accountant, preferably a graduate aged mid/late 20's with some commercial experience, to strengthen its management accounting team. Major changes and improvements to this function are in hand and you will play an important role in upgrading the computerised budgeting and forecasting for a wide range of activities, evaluating the profitability of business lines and producing other varied reports including cost benefit analyses. Further prospects are extensive and with a salary negotiable according to age and experience and benefits including a low cost mortgage, subsidised staff restaurant, generous holidays and a non-contributory pension scheme, this is an exceptional opportunity.

Contact David Tod, BSc, FCA, on 01-405 3499
quoting reference DT/414/MF.

Lloyd Management

Recruitment Consultants

125 High Holborn London WC1V 6QA

01-405 3499



EUROPEAN ROTOGRAVURE ASSOCIATION

based in Munich

is seeking the services of a

GENERAL SECRETARY

The position demands the ability to speak and write fluent English and German with possibly one additional language.

The applicant should have a management background, preferably in the printing or allied trades. He will report to an international Board of Directors and will be responsible for the administrative/financial/technical affairs of the Association which represents the leading companies in the industry. His duties will also include the supervision of a secretarial, technical, and administrative staff.

Write to:

EUROPEAN ROTOGRAVURE ASSOCIATION e.V.

Streitfeldstrasse 19, D-8000 München 80

FOREIGN EXCHANGE DEALER

Age; 25-35

to £14,000

Our client, a rapidly expanding American Bank with an active dealing name, seeks to appoint an able, ambitious person to the above role. The position to be filled is that of No. 2 in a small dealing team, and applicants should therefore be able to demonstrate a particularly mature and professional approach to their work.

OPERATIONS AND CUSTOMER SERVICES

Age; Late 20's

c.£8,500

If you have an international banking background spanning at least eight years and your experience embraces an in-depth knowledge of documentary credits, and collections, and a good working knowledge of foreign exchange duties, our client requires such a person to fill the role of CO-ORDINATOR in their Operations and Customer Services Area. In addition to the necessary technical expertise, the successful candidate must be able to communicate effectively, and tactfully at all levels. Benefits are excellent and include mortgage assistance.

For further details of these, and the many other senior appointments for which we are currently retained please contact, in complete confidence MARK STEVENS - General Manager

BANKING PERSONNEL

41/42 London Wall London EC2 Telephone: 01-588 0781

(RECRUITMENT CONSULTANTS)

Natural Resources Investment Analyst Major Institution

Our client, a major American Bank with well-established international fund management operations, seeks an additional analyst to cover natural resources within an expanding team. The successful candidate will be aged 25 to 38 with at least three years' research experience of resource or related stocks. It is envisaged that applicants will have an investment background and could have gained their knowledge as Mining, Metals, Chemical or Oil analysts or through coverage of Australia, South Africa, Canada or the North Sea. In addition to high technical ability, well developed communicative skills are mandatory. The position will involve analysing resource related stocks with an emphasis on Australia, Europe and the U.K. and communicating this research to the Bank's world wide investment offices. There is scope for broadening into other areas of investment according to interest. A highly competitive remuneration package, including the Bank's excellent benefits, is to be offered, and, due to the rapid growth of funds under management in the U.K., prospects are extremely good. Please contact F.J. Stephens or Anthony Innes who will treat all enquiries in the strictest confidence.

Stephens Associates
International Recruitment Consultants

35 Dover Street, London W1X 3RA. 01-493 0617

Merchant Navy Pensions Administration

has an opportunity for an

INVESTMENT ANALYST

As part of a small investment team the successful applicant will research a wide range of investment opportunities and will work closely with those responsible for the day-to-day management of the portfolios. It is anticipated that the right person will seek advancement to their own area of fund management in due course.

Merchant Navy Pensions Administration is responsible for the investments of the Merchant Navy Officers Pension Fund and the Merchant Navy Ratings Pension Fund. Together, these amount to over £425 million and new money available for investment is in excess of £60 million per annum.

Ideally, candidates should be in their early twenties and possess a degree in economics or mathematics and/or a suitable professional qualification. Relevant experience in the investment field would be a distinct advantage.

Replies should be sent to Mr. J. M. Bird enclosing a curriculum vitae and quoting current salary level.

Merchant Navy Pensions Administration

Ebbisham House

30 Church Street

Epsom

Surrey KT17 4GF

Assistant Treasurer

West London Five figure salary + car

A multi-national Group operating in 50 countries seeks to recruit an individual to assist with its international treasury operations.

These include the raising of funds, the management of the Group's borrowings worldwide and the Group's foreign currency exposure.

Candidates, male or female and aged 28 to 35, should possess a university degree, professional qualification and previous experience of treasury operations. Equally important are negotiating skills, resourcefulness, and an ability to communicate at all levels.

Applicants should send full cv., quoting ref. AMA 8042, to Position Number Supervisor, Austin Knight Limited, London W1A 1DS. Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a separate letter addressed to the Position Number Supervisor.

Austin Knight Advertising

AK LONDON

ASSISTANT TAXATION MANAGER

North West England

A major U.K. multi-national Company with substantial overseas interests wishes to recruit an Assistant to the Group Taxation Manager.

He or she will be responsible primarily for preparing tax computations and negotiations with the Revenue, but working closely with the Group Taxation Manager will also advise senior management on all aspects of Corporation Tax, with particular reference to tax planning and the implications of current legislation on proposed transactions throughout the world.

The successful applicant could either be a young accountant, N.A.T.I., lawyer or former Inspector of Taxes wishing to gain further experience in industry, or a more mature tax specialist with the relevant experience.

Remuneration and conditions are unlikely to be a barrier to the right person.

Please reply in confidence, giving concise personal and career details, including current salary, to:

WALTER JUDD LIMITED (Ref. 1291),
(Incorporated Practitioners in Advertising),
1a Bow Lane, London EC4M 9EJ

indicating the names of any companies to whom you do not wish your reply to be sent.

EUROBOND DEALER

Major Eurobond Trading House has vacancy for Dealing Assistant in early twenties with some previous trading or Stock Exchange experience. Salary negotiable. Write giving details of experience to Box No. 345, Streets Financial Limited, 18 Red Lion Court, Fleet Street, London EC4A 3HT.

COMPANY NOTICES

NORTHCHARY INVESTMENTS LIMITED

(Incorporated in Zimbabwe)

NOTICE TO SHAREHOLDERS

The Directors are pleased to advise that at the Extraordinary General Meeting held on Monday, 22nd September 1980, the Special and Ordinary Resolutions were passed without dissent. The effect of these resolutions is summarised as follows:

1. The authorised share capital has increased from £200,000 to £1,500,000.

2. The present issued share capital has been increased by the issue of 1,300,000 ordinary shares of 10c each.

Giving a new issued share capital of £1,300,000.

The remaining unissued share capital of £200,000 will be allocated to these holders of the ordinary shares of 10c each of the Company on the basis of one new share for every five shares held on Friday, 20th September, 1980.

In pursuance of their duties, the Directors have resolved to issue new shares in respect of this capitalisation to the holders of shares on or about Monday, 8th October, 1980.

By Order of the Board
LONRHO ZIMBABWE
Secretaries

P.O. Box 1480,
22nd September, 1980.
Directors: P. C. Davies, J. C. J. Davy,
N. Kruger, K. F. Schepers,
W. K. W. Swindell, J. J. Price.

FRAS-BANK INTERNATIONAL
FLOTTING IN THE ROLES
1978-1979

According to the conditions of the above mentioned notes the period of six months beginning September 1st 1980 and ending on September 30th 1980 has been fixed as the period for the issue of new shares to the holders of the above mentioned notes.

By Order of the Board
BANQUE INTERNATIONALE A
LUXEMBOURG
Secretaries

EUROPEAN INVESTMENT BANK
U.S.\$75,000,000 8 1/4% Notes of 1978 due 1st September 1983
U.S.\$50,000,000 8 1/4% Notes of 1978 due 1st September 1983

NOTICE IS HEREBY GIVEN that during the period from August 1st 1980 to August 31st 1980 the interest on the above mentioned notes will be paid to the holders of the notes at the rate of 8 1/4% per annum.

By Order of the Board
EUROPEAN INVESTMENT BANK
Secretaries

C. ITOH & COMPANY LIMITED
NOTICE TO THE HOLDERS OF DEPOSITARY RECEIPTS

NOTICE IS HEREBY GIVEN that the 1980 DIVIDEND for the year ended 31st March 1981, shall be made to the Shareholders of the Company on the basis of the records as at 30th September 1980.

By Order of the Board
C. ITOH & COMPANY LIMITED
Secretaries

JAMES WALKER GOLDMITH AND SILVERMAN LTD.
NOTICE IS HEREBY GIVEN that the 1980 DIVIDEND for the year ended 31st March 1981, shall be made to the Shareholders of the Company on the basis of the records as at 30th September 1980.

By Order of the Board
JAMES WALKER GOLDMITH AND SILVERMAN LTD.
Secretaries

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By Order of the Board
JAMES WALKER GOLDMITH AND SILVERMAN LTD.
Secretaries

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By Order of the Board
JAMES WALKER GOLDMITH AND SILVERMAN LTD.
Secretaries

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By Order of the Board
JAMES WALKER GOLDMITH AND SILVERMAN LTD.
Secretaries

BANQUE EUROPEENNE DE CREDIT (BEC)

the Brussels-based leading CONSORTIUM BANK is looking for a SHIPPING OFFICER

who will be in charge of the Shipping Finance Department of the bank. Applicants should have an extensive banking knowledge and previous experience in shipping finance, preferably with a London-based bank. Language requirements: English with a working practice of French. Applications, giving full personal and career details, should be sent in confidence to:



Banque Européenne de Credit
Personnel Department
Boulevard du Souverain 100
1170 Brussels

FINANCIAL CONTROLLER REQUIRED

for rapidly expanding Oil Servicing Group

Must be capable of working under pressure to a high standard controlling and assisting divisional accountant to produce rapid, accurate and meaningful management accounts. A certain amount of travel, both in U.K. and overseas is involved. Top salary will be paid.

Details to:

Jeffrey M. Pike,

Airwork House, 35 Piccadilly, London W1V 9PB

PHILLIPS & DREW

Pension Fund Department

Phillips & Drew have a vacancy in their expanding Pension Fund Department for a Manager's Assistant. Duties will include responsibility for the day-to-day administration of Pension Fund Investments.

The ideal candidate will be educated to 'A' level standard with preferably a minimum of one year's office experience. Preferred age 19-21.

We offer a competitive salary, bonus, £1 per day luncheon vouchers and contributory pension scheme.

Application forms can be obtained by telephoning or writing to:

A. G. Wright, Staff Manager

PHILLIPS & DREW

Lee House, London Wall, London EC2Y 5AP.

Financial Accountant

CITY

c.£9,500 p.a.

International Insurance Broking

Leslie & Godwin, one of the major international insurance broking groups, requires a young, self-motivated Chartered Accountant to assist the Group Chief Accountant. Wide-ranging responsibilities include consolidated statutory accounts, production of budgets and preparation and interpretation of monthly management accounts. Working as a member of the small Group Financial Services team, there will be ample scope for the individual to show initiative and be rewarded accordingly.

Salary is negotiable and the excellent package of benefits is commensurate with a large international organisation.

Please write enclosing C.V., or telephone for further details, to:

Mrs. P. Taylor, Personnel Manager,

LESLIE & GODWIN (MANAGEMENT SERVICES) LIMITED,
Rushmore House, Mark Lane, London EC3.

Tel: 01-423 4631 ext. 303.

General Administrator Scottish Opera

Applications are invited from persons of proven business ability and appropriate artistic experience for this important executive position. Salary negotiable. Please write initially in strict confidence to Andrew Rait, Personnel Consultant, Selection Thomson Ltd., 15 North Claremont Street, Glasgow G3 7NF or 38 Park Street, London W1Y 3PF.

هكنا من العمل

CLASSIFIED ADVERTISEMENT RATES

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Iraq and the non-aligned

THE IRAQIS had good cause for anger at the months of needling provocation they have endured from Ayatollah Khomeini's regime in Iran. But their response has now gone well beyond the level of taking reprisals. The attack on Abadan and Khorramshahr, and the air strikes against Iranian airports, bear the mark of that purpose and co-ordination that goes with an open act of aggression.

Powerful weapon

As such their action amounts to a total disregard of the central principles of the non-aligned movement—respect for the territorial integrity of other States and a renunciation of military intervention. It is a sad commentary on the collapse of the moral authority of the non-aligned movement that Iraq is about to take over its chairman-ship from Cuba in the Gulf country all too ready to use its troops on foreign soil.

The doctrine of non-alignment has always risked tumbling into empty rhetoric. But at its most forceful, under the leadership of President Tito of Yugoslavia or of Jawaharlal Nehru of India, it was a powerful weapon for rousing international opinion against the bullying of smaller or more vulnerable States by larger ones. Tito used it successfully to ward off Soviet pressure.

Silence

Member States have certainly seen it as mainly directed against intervention by the superpowers. But the moral opprobrium that would fall on an aggressor State has also been a factor of restraint in regional disputes. There have been countless violations—not least by some of the champions of the movement such as India and China. But the principles were sufficiently intact for the West to press strongly for a condemnation of Russia's invasion of Afghanistan by the non-aligned movement and other representative third world organisations such as the Islamic Conference. It is to be hoped that putting Russia in the dock in this way before world opinion was the best safeguard against the

Financing new technology

THERE is one category of public spending on industry which evokes a degree of sympathy, if not wholehearted approval, from Sir Keith Joseph, the Industry Secretary. The encouragement of research and development has emerged in discussions within the Government and at the National Economic Development Council as one of the few forms of Government industrial intervention which commands widespread support. Britain's main problem, however, seems not to be so much a lack of investment in research and development in relation to national income—R and D spending seems to be comparable to that in the U.S., Germany, France and Japan. Still less is Britain suffering from a shortage of scientific talent. The problem seems to be the inability of British companies and financial institutions to put finance, technology and production management together efficiently to generate marketable new products.

Joint ventures

The National Research Development Corporation exists partly to help fill this gap in Britain's corporate and financial system, by investing public money in joint ventures on the "technological frontiers" where Britain's private sector financial institutions frequently fear to tread. The difficulties facing any Government initiative to stimulate technological achievements are illustrated in microcosm by the NRDC's annual report, published on Tuesday.

The NRDC's financial success, based mainly on licence income from a number of spectacularly successful projects, particularly in pharmaceuticals, has exposed it to a line of criticism unknown to other parts of the public sector. It is widely accused of spending too little money. In the past ten years it has appeared to many technologists to have adopted an unduly cautious stance and the management's chief embarrassment has been the corporation's inability to spend as much on new projects as it receives from its licence income. Its borrowing limit of £50m, set in 1967, has never been approached and in recent years it has repaid loans to the Department of Industry with a substantial cash surplus.

The Wilson Committee's criticism, that the NRDC does not

Russians attempting such an action again.

It will be far more difficult now to get the Russians condemned in such fora or at the UN because implicitly such a gesture would be a condemnation of Iraq for invading Iran. So far the non-aligned, the Moslem States, the Russians and the western allies have been conspicuously silent in passing judgment on Iran's action. Their embarrassment stems from a mixed bag of reasons—dislike of Ayatollah Khomeini's regime, reluctance to offend either Iran or Iraq as major oil producers, and the lack of leverage that the superpowers have over either party to the conflict while they still have the arms to hit each other. They are also waiting to see whether President Saddam Hussein can achieve his assumed objectives of toppling the Iranian regime and asserting Iraqi supremacy in the Gulf within a brief space of time.

Precedent

But the stakes are too high for a protracted conflict. The risks of widespread damage to oil installations, of the U.S. and the Russians feeling compelled to act in order to prevent a loss of influence and of the unpredictable consequences in the Gulf States—all raise the danger of those who are now spectators being drawn in as participants.

Already the UN is becoming increasingly involved. The more it assumes a role in attempting to end the fighting, the more member States will be drawn into the conflict. Small nations rightly see it as an important principle that big nations do not try and settle disputes by aggression.

Regionally the Iraqi action establishes a further unfortunate precedent after Russia's invasion of Afghanistan. The Iraqis seek regional leadership and are anxious to gain the influence that comes from being chairman of the non-aligned. Cuba went a long way to undermine that influence, which may explain why Iraq believes that it can reconcile seemingly irreconcilable objectives.

do enough to support innovation among the smallest companies and entrepreneurs and that it should play a more active role in seeking out investment opportunities. It is being partly answered this year by the establishment of a new fund to invest in small companies and start-ups. But this will make only a marginal contribution.

The general worry about the lack of suitable opportunities for a marriage between the NRDC's resources and the private sector's technological achievements remains. The NRDC's experience suggests that too much cannot be expected from selective Government intervention in commercial research and development. If their activities are governed by the sort of reasonably stringent profitability criteria which the NRDC adopts, there is no reason to expect public servants to be any more enterprising and less risk-averse than private investors. The fact that the public sector treats its scientific employees just as meanly, in relation to their professional status, as the private sector, suggests that public bodies are unlikely to have any advantage in technological know-how.

None of this means, however, that a Government concerned about the low productivity and technological backwardness of British industry is entirely helpless. The stark choice seems to be between pushing on a piece of string, by insisting that all assistance for R and D should be done on a strictly non-risk basis, or, on the other hand, signing blank cheques for highly risky and often unsuccessful ventures—a policy which, in effect, has been adopted in some of the Ministry of Defence's purchasing.

Incentives

But between these extremes there are a number of more attractive possibilities. One which the Government is apparently considering is to provide more general assistance for research and development, perhaps in the form of fiscal incentives, while leaving the decisions on specific projects entirely to the private sector. Perhaps the most important general principle is to use a number of decision-making units within the public sector and not to concentrate too much energy and money on grandiose projects.

THE NEB UNDER THE TORIES

Away to the private sector

"IT'S NO more important than that," Sir Keith Joseph used to say, tossing a coin onto the table when asked for his view of the National Enterprise Board.

"That table top is British industry and the relative importance of the NEB is no bigger than that coin." The second time I saw this demonstration Sir Keith had been promoted from a 2p coin to a 10p coin. But the message was the same, and by the end of last year Sir Keith had done his best to put his view into practice by appointing a new chairman and board and by introducing legislation to trim its activities.

Now Sir Arthur Knight, who became chairman on retiring from Courtlands 10 months ago in succession to Sir Leslie Murphy, is settling down to his new responsibilities. The board is already showing renewed interest in high technology areas. Apart from a major bio-technology project, the NEB has holdings in 17 "information technology companies." A Government report on this subject, being published today, will suggest a more co-ordinated approach in Whitehall and more support for Britain's developing potential.

Sir Arthur has already ordered a special study of the NEB's holdings in this area and more investment seems likely. "We have lots of money invested already and quite a lot of things going on."

The NEB's overall role has been set by the new Industry Act and by revised statutory guidelines which emphasise the Board's curtailed freedom. Besides high technology projects, the Board has to deal with regional investments, and loans for small businesses. It is required to work with the private sector whenever possible (as it has sometimes done in the past), to concentrate on ventures which would not otherwise go ahead, and to sell off its investments as soon as they become profitable instead of waiting to reap some of their early earnings.

"The NEB must be seen to initiate, manage well, and divest all the time. If it does that it will be seen to be valuable," Sir Arthur told me in the first full interview he has given since moving into the NEB last November. The NEB is in the business of starting things off and getting them away. A pragmatic man, Sir Arthur sees advantages in having to attract private sector partners whenever possible. "It's a check on our appraisals and provides a mechanism to ensure a project is not a permanent drain on our funds. Either a project is a flop, and you've got a mechanism for killing it off, quick, or it takes off and away it goes into the private sector."

At the time when there has been public concern that the NEB's micro-chip venture might become a Concorde-type drain on Government funds, Sir Arthur explains: "Basically I'm averse to seeing public money invested in manners which open up pressures for money to be put into things that shouldn't survive—one's seen too much of that in the past 25 years."

Sir Arthur seems likely there-

JOHN ELLIOTT talks to Sir Arthur Knight, chairman of the NEB (pictured below).



Trevor Humphries

fore to guide the NEB around the present Government's policies more successfully than Sir Leslie Murphy who resigned last November, along with all his fellow Board members, when Sir Keith insisted on initiating moves directly to take over the NEB's responsibility for Rolls-Royce.

Rolls has now gone to Sir Keith's personal care, and Sir Arthur has shown that he is not averse to political controversy by insisting that BL should be transferred as well. He says that the NEB cannot play a useful role in determining the future of the motor company, which is politically an extremely sensitive issue.

The transfer is expected to happen later this year when the Government has to decide on BL's future funding. But in practical terms, the NEB has already abandoned its responsibilities. "We are only acting as agents on BL now, relying on (Industry Department) civil servants for advice."

Apart from this slightly controversial attempt to prod Sir Keith into action, Sir Arthur has been carrying out many of the Government's wishes. His achievements for the past 10 months start with the disposal of the Board's assets in ICL, Falvey and Ferranti to raise £113m for the Treasury in last year's sale of State assets. The fact that the NEB was allowed to do this in its own time, rather than being forced into a rigid timetable, is clearly significant to Sir Arthur, who now declares: "Honour is satisfied."

There have also been a number of other voluntary sales, as well as several closures resulting from the NEB's partial lack of success in the small business area. Apart from the bio-technology venture, there have been very few new investments because most of the time has been spent reviewing existing holdings and discussing the Board's future role.

The best known company

covered in the review has been Immos, the micro-chip venture. Its plans were eventually approved in full by Sir Keith after extensive studies during the early part of the year. The full extent to which the "public" is at risk, says Sir Arthur, is about £85m. This is considerably more than the £50m grants already publicised and includes other regional aid, and various borrowing and leasing arrangements.

The NEB tried to raise private investment for Immos earlier this year, but had to accept that the project then looked unattractive. "We are not looking for private sector money now, but by 1983-84 Immos ought to be making money as well as having a production unit, and that will be the time to privatise."

He has already approved the activities of two of the smaller information technology investments (Aragon and Data Recording) as part of a general review of the NEB's largest nine or 10 companies which he is conducting personally. When he has completed this, guidelines will be prepared for the NEB's staff to review the remaining 45 during the coming year and several are likely to be sold.

The event of the past year which most pleases Sir Arthur is the £50m Celtech bio-technology project launched jointly with Prudential Assurance, Midland Bank, Technical Development Capital, and British and Commonwealth Shipping. "This would not have happened if it had not been for the NEB. The scientists involved needed a national 'tag' to bring them along. It is difficult to see how the initial dialogue could have been started by the financial institutions alone."

Some of the institutions involved agree with this. They acknowledge that such investments can be difficult because most British scientists (unlike those in the U.S.) neither like the idea of making fortunes for themselves out of their discoveries, nor letting a commercial organisation appropriate them. The NEB believes that it gains in this situation because it has scientists and other technically qualified people on its staff, and it now aims to launch about two high technology investments a year.

Sir Arthur sees this work as catalytic, encouraging others to do things they might otherwise ignore. "We are not in business to do things that would happen anyway, so we may do a lot of things that are not really new, but someone else is well advanced on the same road, or that our work sparks someone else to do something fresh. Then the NEB won't go in, but we will still have done a public service. We are only starting things now if we believe there is a real gap. There is no point in us fringing around if the big boys are about to launch something."

Work in the NEB's other two main operating areas—developing industry in the regions and helping small businesses—is not so advanced. Sir Arthur is not yet sure what can usefully be done in the regions. "The problem has been around for 50 years or more and has taken up a lot of public money. I'm think-

NATIONAL ENTERPRISE BOARD DISPOSALS SINCE GENERAL ELECTION

Company	Business	Disposal
*ICL	Computers	25% holding sold on market
*Ferranti	Electronics	50% holding sold on market
*Falvey	Engineering	Sold to S. Pearson
Rolls-Royce	Aero engines	Ownership passed to Industry Department
Deeside Titanium	Titanium	Stake passed to Rolls-Royce
Cambridge Instrument	Scientific instruments	Private involvement increased
Herbert	Machine tools	Factories sold prior to winding up
British Tanners	Tanning	Liquidated
Sinclair Radionics	Microelectronics	Liquidation interests sold
Middle East Building Services	Materials exports	Stake sold to partners
Newtown Securities	Small firms' finance	Being run down
ASR Servotrol	Industrial controls	Receivership
F. W. Elliott (Holdings)	Clock makers	Receivership
J. & P. Engineering	Medical electronics	Receivership
Mayflower Packaging	Packaging machinery	Receivership
Pakmet International	Packaging machinery	Receivership
Technical Resources (Equipment)	Liquid gas cylinders	Receivership
Vicort of London	Sports equipment	Receivership
Hird Brown	Electronics	Stake sold to private sector
Barrow Hepburn	Chemicals and engineering	Holding sold to City investors

* Sold specifically to raise £113m for Treasury

MAIN NEB INVESTMENTS OF OVER £1m

Company	Business	Details
BL	Rolls Royce	Transfer to Industry Dept. hoped for Government and NEB backing up to £25m
Immos	Micro chips	44% NEB new venture approved by Government
Celtech	Bio technology	Plans and management reviewed by Sir Arthur Knight personally
Aragon (formerly Inas Viewdata)	Viewdata exports	Receivership
British Underwater Engineering	Engineering equipment	Receivership
Cambridge Instruments (renamed CIC Investment Holdings)	Scientific instruments	Receivership
Data Recording Instrument	Computer peripherals	Receivership
United Medical Enterprises	Medical exports	Receivership
Wholesale Vehicle Finance	BL distributor financing	Receivership
TINSAC	Computer services	Now being reviewed by Sir Arthur personally
INEXOS	Office systems	Receivership
TQ1 Europe	Micro computer systems	Receivership
Brown Boveri Kent	Industrial instruments	Early disposal candidate
Roll Motors	Electric motors	To be reviewed later
Reggati & Zambra	Process controls	Receivership
Twinkl	Office equipment	Receivership
Yates Duxbury	Paper manufacture	Receivership

About 40 other smaller investments also to be examined, later including 11 in information technology area

Information technology companies

ing about what difference the NEB can make."

He envisages spending about £25m during three years in this area, partly to attract technological expertise into the regions. "We all tend to talk about attracting major inward investment projects when what we really mean is importing foreign know-how."

On small businesses, Sir Arthur has had what he regards as an "oddy" thrust on him by Industry Department Civil servants, apparently with little prior consultation. He has been told he may only provide loans (not equity) of up to £50,000 for small companies, and his staff are at present pondering how this can be done effectively with their limited resources—the NEB now only employs a total of 60 people, having cut its complement by about a fifth.

To cope with the changes in its role, Sir Arthur has reorganised the NEB internally, reflecting at the same time his own views about how such a holding company should operate. Old divisional departments partially based on sectors of industry have been abolished and replaced with three main

divisions.

One deals with business development, which includes the NEB's own corporate plan and its future investments, as well as the longer-term development of its individual companies. "Then there is a separate investment management and monitoring division which keeps in regular touch with companies as well as a department responsible for selling the board's assets. "We need a pretty vigorous approach to divestment so that it is regarded as a constant process," says Sir Arthur.

The longer-term business development has been separated from the monitoring role to emphasise the importance of targets being set and then watched carefully. "The investments must perform," says Sir Arthur, who is also considering appointing more outsiders as NEB nominated non-executive directors on its companies instead of mainly using NEB senior staff as has happened in the past.

Inevitably the nature of the NEB's new role means that it will almost always be reporting overall losses in its financial

results because it has to sell its profit-makers. As a result civil servants have so far failed to design it a new statutory financial duty to replace its old target of a 15 to 20 per cent on capital employed. "The test which civil servants are trying to define is likely to relate to the profit the NEB makes on selling a company over the amount of its investment."

But this problem does not appear to be upsetting the generally cordial relationships existing between the board and the Government. Sir Arthur seems happy (apart from the small firms' role and the continued BL presence) with the role he has been given and is showing no signs of seeking a wider brief, even though it might be argued that a State holding company should be playing a more positive role in helping industry through the recession.

"Sir Arthur is more concerned with developing new high technology ventures than with propping up 'problem' companies. "Lame ducks," he exclaims. "I'm relying on the Government's assurance that there won't be any!"

MEN AND MATTERS

Breaking out with a bang

An ungenerous joke doing the rounds suggests that British participants in the Crusader 80 war games can be easily identified because they are the only ones going into battle on bicycles. If it were true, Gordon Wales, joint managing director of MY Dart, would probably be even cheerier than when I spoke to him yesterday.

Better known for his Dawes cycles, ping-pong balls, darts and shuttlecocks, Dart has a considerable interest in the combative capers going on across the Channel since many of the flashes, bangs and clouds of smoke from the UK contingent originate from its pyrotechnic subsidiary Haley and Weller. "I believe we are the only British company out there," he claims, clearly hoping that NATO observers will conclude from the brightness of the flashes and the loudness of the explosions that British makers of "pyrotechnic training stores" are best.

Rising on the tide of bellicosity sweeping through the Middle and Far East, export sales of Dart thunderflashes and smoke grenades added £1.5m to the group's turnover in the last financial year. This year Wales aims for £3m and is ploughing income back as fast as it comes in. Four export salesmen have recently been appointed, and with £500,000 spent on Haley and Weller's Derbyshire factory so far this year, the workforce there is to be increased from 200 to 250.

Commercial fireworks, the other mainstay of H and W, are always popular with the oohing public, but seasonal demand requires heavy stock financing, and at today's interest rates such business is uncomfortable to say the least. Military training, however, goes on all the year round. In the past cash flow was maintained by the contract work for the Ministry of Defence, though in recent times cuts, which started under the Labour Government, have forced Dart to look overseas to

markets long dominated by the U.S., France and Belgium.

With careful planning and a stroke of good fortune, Wales feels he has gained a firm foothold abroad. U.S. arms makers, he tells me, have tended to sell training explosives cheaply—even giving them away—to further sales of hardware and live ammunition. But since the U.S. Government has reduced its own output commercial companies have turned more to the home market and are less willing to be so generous. "They have given us a chance to break in," he says.

Breaking in, it seems, is a company specialty. "I don't think it's secret anymore," Wales confides, "but we supplied the materials that enabled the SAS to get into the Iranian embassy."

Sole survivor

One new job has been created in the wake of the Consett steel works debate. John Carney, an energetic young geographer who has been running a regional policy research unit at Durham University, next week takes on the daunting task of finding new industry for the town where male unemployment is forecast to rise to 40 per cent as the ripples from the BSC closure spread.

Carney was much involved in the abortive attempts to prevent the steel shut-down. He worked with local trade unions on their "Save Consett" campaign and was one of the few visible figures on the fringes of the takeover consortium.

Since arriving at Durham—by way of Sheffield, Toronto, and Cambridge universities—Carney has been deeply immersed in the North-East's sea of troubles, supplying local authorities with employment analyses and forecasts. Carney has few illusions about the difficulties ahead of him as Derwentside council's first industrial development officer. Derwentside has none. "We shall do what we can but the Government has got to

shoulder the main burden," Neil Johnson, the council's deputy chief executive, protested bitterly.

Proposals for a £22.5m programme of reclamation, building, and infrastructure improvement have been put to the Department of Industry. "But there's no spare cash here," said Johnson. The council is already levying an extra 5p rate to recoup some of the £3m it will lose over the next two years from the BSC works closure.

Wee lift

Put against the £4.6m handed out to Rothmans and the grand total of £29m doled out this week from the Common Market's regional fund to British industry at large, the matter of a £140,000 EC donation to the aged Ffestinog Railway is small beer indeed. It will, however, meet 30 per cent of the cost of restoring the last mile of track from the slate quarries into the town, leaving the railway's chief executive, Dick Wallan, only £120,000 short of his target and within hailing distance of the new station in the centre of Blaenau Ffestinog.

Also waiting to complete the trip is a grand old saddle-tank engine, The Prince, delivered in 1863 from the factory of George Ennall at New Cross in south-east London. There, too, I discovered, moulders a relic of the Victorian iron age. It is the gigantic moving gantry with which England hoisted The Prince for dispatch to distant Wales.

In use for 131 years in the iron industry, the building boning the gantry will shortly be transferred into a warehouse when the present occupant, Reliance Foundry Holdings, moves out after 44 years to a bigger, centralised plant at Greenwell.



"He didn't want us to go to Poland, so we sent him to Coventry."

am assured, although it does not meet today's safety standards. And should there be a taker with space to accommodate it, "price will not be a major consideration."

Tank full

The Japanese, I hear, are working on a new idea for putting the brake on drinking and driving.

Their cars of the future may be designed with gauges to measure the driver's consumption as well as the engine's. The driver will have to blow into a built-in breathalyser as he switches on—and if he is too well-oiled the engine will not start.

Officers first

Contributing pointedly to a discussion on industrial power-sharing at the Institute of Directors yesterday, Reed chairman Sir Alex Jarratt observed: "You don't have democracy in a lifeboat... not if you have any sense."


Observer

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Crouch Group Limited 

Mills & Allen expansion: seeks further finance

A RIGHTS ISSUE to raise \$5.1m is being made by Mills & Allen International, the outdoor advertising and money breaking group. Holders registered September 19 are offered a new share for every 5 held at 250p.

The company also reports record pre-tax profits for the year ended June 30, 1980 of £10.1m compared with £7.3m on turnover of \$47.7m (\$94m). Fully taxed earnings per share before extraordinary items are 49.6p (36.5p). A final dividend of 11p has been proposed, making 15p for the year (10.6p). Comparative earnings and dividends figures have been adjusted for the December, 1979 scrip issue.

Mills and Allen also revealed yesterday that Britania Arrow Holdings has sold its 9 per cent holding in the company to a large number of institutional investors at 312.5p net share.

The directors intend to propose a further scrip issue on the basis of one-for-10 held on November 28.

The rights issue may be used first to redeem 3.6m cumulative first preference shares 1984 at £1 each. The rate of dividend on these shares rises from 4 per cent to 18.5 per cent after June 30, 1981. In any event, these shares must be redeemed not later than June 30, 1984 and the

directors believe that growth would be inhibited if they were repaid from existing funds.

The company also has investment commitments to participate in a North Sea seventh round oil exploration consortium and in a commercial television morning broadcasting consortium. If both were successful, the company would have to invest £1.8m. In addition, the company's policy is to expand and develop, by acquisition or otherwise, its existing businesses and to extend its activities into other fields.

Sir Ian Morrow, chairman, says that the current year has started satisfactorily with management accounts for the first two months ahead of last year's levels. Trading conditions in the UK are said to be more difficult, but restriction on tobacco advertising is unlikely to have much impact on outdoor advertising business in the current year.

In 1979-80, all major trading companies achieved improved profitability and overseas activities new contributed 24 per cent of total group profits.

The group had a net cash surplus of £4.7m at June 30, 1980 compared with £1.8m a year earlier.

The rights issue has been

underwritten by Hambros Bank. Dealings in the new shares begin on September 29 and acceptances must be received by October 17. Brokers to the issue are Rowe and Pitman and Laurie Milbank.

comment

Mills and Allen's 32 per cent increase in operating profits is the more impressive considering the group's growing dependence on overseas activity. In money breaking, for example, where profits were up by nearly 50 per cent more than half of the business is done in dollars and so the Hawley Mayer subsidiary has had to overcome an 8 per cent deterioration of the dollar's value compared to sterling. The printing side has had trouble with labour and margins and the Shepperton film studio made less profit because of increased spending on maintenance. The other contributor to the 14 per cent decline in the other category was the insurance broking business bought in March 1978. On the plus side, screen advertising was profitable because advertising bookings do not extend beyond Christmas. The yield is 6.8 per cent and the fully-taxed ex-rights p/e a modest 6.2 at 320p, down 19p.

Ferry Pickering edges up

Taxable profits of Ferry Pickering Group, the printing, packaging and publishing concern, held steady in the second six months resulting in a surplus for the year to end-June little changed at £1.42m, compared with £1.31m. Sales for the 12 months rose marginally from £5.74m to £7.55m.

A final dividend of 1.6p, makes the year's total 2.6p net, compared with the equivalent of 2.2p after allowing for the one-for-one scrip issue.

After a much higher tax charge of £801,563, against £276,811, stated earnings per 10p share are 9.746p, compared with a restated 10.969p. Gross earnings are given as 16.773p (15.363p restated).

The profit for the 12 months included interest and rents received but was before minority interest of £1,687 (£1,578). Last time's attributable surplus included a profit from the sale of freehold property amounting to £14,375.

Undistributed profit carried forward this time amounted to £3.4m, compared with £3.75m which included a prior-year adjustment of £670,619. Retained profit for the year was down from £760,746 to £609,250.

Astbury & Madeley on target

IN LINE with the forecast of not less than £700,000 made in June with the rights issue, pre-tax profits of Astbury & Madeley (Holdings) climbed to £705,000 for the first half of 1980, compared with £625,000 last time.

The directors say the remainder of the year will be governed by the effects of the recession, which are now being felt in full by all group companies. In these circumstances, they feel it is too early to forecast the full year's results. In June, they anticipated that second-half profits would not be less than those of the first half. Profits before tax for 1979 totalled £1,212m.

As expected, the interim dividend is raised from 0.667p to 1p net on the increased capital—a final net less than 4p (2.88p) has been forecast.

First-half turnover increased from £5.81m to £5.43m. Tax charge was £367,000 (£373,000) and attributable profits rose by £85,000 to £338,000. The interim payment absorbs £56,696 (£33,515).

Earnings per 20p share were up from 5.50p to 5.09p. Principal activity of the group is the stockholding and distribution of a range of equipment used by industrial and central heating engineers, plant maintenance engineers and plumbers.

Overheads cut midway profit at H. Samuel

REFLECTING increases in the overhead costs of running its retail outlets, profits before tax of H. Samuel, multiple jeweller, slipped back to £2.82m in the first half to August 2, 1980, compared with £3.22m.

These higher costs can only be recovered out of increased turnover, says Mr. Ronald Collingwood, the chairman, and in the present conditions he finds it difficult to anticipate a speedy return to the buoyant trading conditions of the past few years. For the last full year, there was a pre-tax surplus of £14.94m.

First-half turnover, including VAT, was maintained at the record level of the corresponding period last year, which included the pre-Budget spending spree.

Tax took £1.04m (£1.15m), leaving net profits of £1.78m (£2.07m). There is an extraordinary credit of £72,000 (£704,000).

As usual, the directors intend

to declare an interim dividend in January; in their report for last year, they forecast that the January, 1981, interim would be substantially higher than the 0.726p net paid for the first half of 1979-80, which represented too small a proportion of the 6.25p total distribution for the year.

comment

Taking the temperature from interim results at H. Samuel is hazardous, since so much hangs on the Christmas half when the company made almost four-fifths of last year's profits. The half-year figures look reasonable, particularly since they come in the wake of well-publicised new year gold price rises which boosted the end of Samuel's last accounting period. There are hints, however, of potential problems which may have contributed to the mark-down of the shares by 6p to 162p. Overheads are high—property and

water rates alone added £250,000 to costs half on half—and bite when volume falters. Turnover for the last half, while undisciplined, was maintained including VAT, therefore very slightly down allowing for last year's tax hike. A rising gold price, however gently it is fed through, must be considered a sales depressant in coming months. Samuel is unlikely to see last year's record profits this time round. But if it can equal 1979's £13.4m on the back of a reasonably strong Christmas, the capital spending of £4m planned for the year will leave room for expanding working capital without doing too much damage to the £12.6m cash which the balance sheet shows at the last post-Christmas cash-holding peak.

The prospective full-year p/e of 19 on an historic yield of 5.5 per cent look to reflect confidence in Samuel's solidity more than growth hopes.

Wace hit by severe competition

SEVERE COMPETITION has eroded margins at Wace Group, printing industry supplier, and although sales and its share of the market increased, pre-tax profits dropped from £175,000 to £91,000 for the first half of 1980. Trading is date in the second six months has been extremely poor.

The directors explain that the NGA dispute caused losses to be made in April and May and this continued to have an adverse effect on trade in the following two months.

During this period, large contracts already in hand were lost to overseas competitors. Turnover for the half year was £3.21m (£2.85m), while profits were struck after exceptional debits down from £91,000 to £53,000 and acquisition financing interest charges.

Tax took £50,500 (£76,000) and stated earnings per 20p share fell from 2.95p to 1.17p, on increased capital. The net interim dividend is 0.72p (0.96p adjusted for one-for-four scrip issue)—last year's total was 2.4p after adjustment for the scrip. There was also a £270,000 rights issue in 1979, when pre-tax profits totalled £318,100.

W. Glossop recovers at mid-year

AFTER plunging from pre-tax profits of £501,793 to losses of £422,243 in the last full year, W. and J. Glossop, public works contractor, has recovered to finish the first half to July 31, 1980, with a surplus of £280,000 against £187,000.

Bank borrowings have been significantly reduced, say the directors, and they remain confident that the full year will prove profitable.

The interim dividend is held at 1.57p net—last year's total was 4.202p.

Turnover went ahead from £8.63m to £10.06m. Tax took £79,000 (£90,000); last time there was an extraordinary credit of £192,000.

The directors say the return to profitability in the first half reflects the remedial action referred to in their annual report. The loss-making quarrying activities were disposed of in July at a figure in excess of book value, and losses sustained in South East Region surface dressing operations had been eliminated.

Ricardo holds profit-cash call to aid spending programme

Ricardo Consulting Engineers is raising £2.55m by a rights issue on the basis of one-for-four at 370p, to holders registered on September 12.

The company also reports preliminary profit before tax for the year ended June 30, 1980, of £1.1m (£1.1m) on revenue of £8.6m (£7.2m). Earnings per share before extraordinary items are 43.6p (43.4p) or 29.3p (33.7p) on a current cost basis. A final dividend of 4.7p a share (4.25p) is proposed, making 7.7p for the year (7p). The new shares will not be entitled to the final.

The directors expect to recommend a dividend of 8.5p a share on the enlarged capital for the year ending June 30, 1981.

The directors say the issue will eliminate existing bank borrowings and provide a substantial part of the finance for the capital spending programme planned for the next three years. This includes extending the design office, updating test equipment and instrumentation, modernising the plant engineering shop and building a large new test shop.

Commenting on last year's

results, the directors say that a substantial advance in operating profit was offset by a disappointing performance by Cussons. The Worthing plant was closed and operations centralised at the new Manchester factory. Cussons performance is now improving.

The directors are confident of the company's prospects despite the depressed conditions in industry in some countries including Britain. Companies, they say, must spend money on new product designs and developments, and Ricardo should benefit from its broad base not only in the motor industry but the power plant industry in general around the world.

Dealings in the 716,719 shares to be issued are expected to begin on Monday. Acceptances must be received not later than October 17. The issue has been underwritten by J. Henry Schroder, Wagg, Brokers to the issue are James Capel.

comment

Revenues from Ricardo's main business, contract design,

development and research work related to fuel economy of engines, grew by 27 per cent last year. Consulting revenues rose 16 per cent and Cussons recovered from a first half loss to break even. Substantial rationalisation at Cussons cost £117,000 below the line.

The group's return on assets dipped to its lowest level in a decade last year, but was still an impressive 22 per cent. So far this year, the order books of both Ricardo and Cussons are strong enough to support the directors' undertaking of a 10 per cent dividend increase on the enlarged capital. The group will also save the cost of servicing its £1.9m of borrowings, which are to be paid off by the proceeds from the rights issue. The shares faded 15p from their peak for the year yesterday to 448p. The p/e on an ex-rights price of 428.6p and stated earnings of 9.8 provides adequate support. The prospective ex-rights yield is 3.8 per cent.

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Shaw & Marvin still in the red

MANAGEMENT ACCOUNTS indicate that Shaw & Marvin, merceriser, dyer, and maker of knitwear and children's outerwear, will show for the first six months of the current year, a loss similar to the £45,512 deficit incurred in the same period of 1979.

Mr. Simon Coors, the chairman, tells members in his annual statement that as a consequence of the depressed state of the UK textile industry, certain reorganisational planning took place with the reconstruction of the Board in June.

This has resulted in a general tightening up of administrative controls, re-appraisal of the profitability of certain manufacturing processes, and the concentration of various productive functions into the company's main premises at Boston. This has released manufacturing and warehousing accommodation, occupied elsewhere, and will result in saving in costs and expenses.

The chairman says it is too

early at present to quantify these savings which will not begin to emerge until the second half of the trading year.

As reported September 18, the company suffered a pre-tax loss of £203,517 for the year ended March 31, 1980, against profit of £43,232 previously. No dividend is being paid—last year, there was a final of 0.35p net.

Although the Board mentioned last year that it wished to earmark £100,000 for capital expenditure to modernise certain plant, the company's losses have caused it to delay this modernisation programme.

Mr. Coors says this, however, will eventually need to take place and in this respect it is proposed that the company's authorised capital be increased from £150,000 to £500,000, which will give the Board flexibility to raise additional funds.

He is hopeful that with these various reorganisations having taken place, the company will reap benefit in the current year. At present, there is an indication

of an upturn in trade resulting in an improved order book.

At March 31, 1980, shareholders' funds had fallen from £286,008 to £164,088. Bank borrowings were up to £303,824 (£246,562).

Breedon margins narrowing

The board of Breedon and Cloud Hill Lime Works states in its interim report that although turnover and profits—reported on September 20—for the half-year to July 31, 1980 were both at record levels, reduced demand in both the public and private sector of the construction industry has resulted in increased competition. Consequently, there has been a narrowing of margins.

A final dividend of at least 5p is forecast to make the total not less than 7.625p (7.5p).

Current year optimism at Wearwell

The Wearwell clothing group expects another year of record turnover and profits, Mr. Asil Nadir, the chairman, told yesterday's annual meeting.

In the financial year to May 1, 1980, Wearwell more than doubled its pre-tax profits to £1.6m, with sales up by £1.99m to £10.03m.

After the meeting, Mr. Nadir said that the company planned to extend its export push into South America in the next year or so.

Commenting on his option to June 37 per cent of loss-making Cornell Dresses at 10p a share by the end of November, he said this was likely to be taken up with an announcement due soon.

Cornell's shares have risen sharply in recent weeks and now stand at nearly 70p.

Swire Properties Limited

Consolidated results for the six months ended 30 June 1980 and 1980 interim dividend

RESULTS—The consolidated results of Swire Properties Limited for the six months ended 30 June 1980—unaudited—were

	Six months ended 30 June 1980	1979	Year ended 31 December 1979
	HK\$m	HK\$m	HK\$m
Turnover	253.4	294.3	747.8
Profit before taxation	163.4	114.7	300.9
Taxation	26.9	18.1	47.0
Profit after taxation	136.5	96.6	253.9
Minority interests	2.3	3.7	16.0
Profit for the period	134.2	92.9	237.9
Preference dividend	8.3	—	—
Profit attributable to ordinary shareholders	125.9	92.9	237.9
Profit for the period derived from:			
Property trading	94.2	64.6	170.2
Property investment	34.3	24.7	60.6
Construction	5.7	3.6	7.1
	134.2	92.9	237.9
Earnings per share:			
Undiluted	36.4c	26.8c	68.7c
Fully diluted	32.9c	22.8c	—
Dividends per share	18.8c	11.0c	42.0c

* Dividends are payable from 1 January 1980 on the 170,500,000 9 per cent convertible cumulative redeemable preference shares 1985/1987 of HK\$1 each in issue by the Company which are convertible between 1982 and 1987. The fully diluted earnings per share are based on the ordinary shares now in issue plus 62,000,000 ordinary shares into which the preference shares are convertible.

Interim dividend—The directors of Swire Properties Limited have today declared an interim dividend for 1980 of 18.0 cents per ordinary share which represents an increase of 63% over the amount paid for the equivalent period in 1979. The interim dividend will be paid on 22 October 1980 to ordinary shareholders on the register at the close of business on 20 October 1980, the share register will be closed from 6 October 1980 to 20 October 1980, both days inclusive.

Prospects—By reference to the programme for construction completions in 1980, the directors expect that attributable profits for 1980 will be at least HK\$360 million, over 50% ahead of the profits of HK\$238 million in 1979, and that the final ordinary dividend to be recommended will be at least double the interim.

A full interim report is being sent to all shareholders.

Hong Kong
22 September 1980

By Order of the Board
John Swire & Sons (H.K.) Limited
Secretaries



Swire Properties Limited
The Swire Group
Swire House, Hong Kong.



(INCORPORATED WITH LIMITED LIABILITY IN THE REPUBLIC OF CHILE)

U.S. \$25,000,000

FLOATING RATE NOTES DUE MARCH 1986

ISSUE PRICE 100 PER CENT.

THE FOLLOWING HAVE AGREED TO PURCHASE AND OFFER THESE NOTES AS PROVIDED IN THE PURCHASE AND PLACING AGREEMENT.

CITICORP INTERNATIONAL BANK LIMITED

ARAB BANKING CORPORATION (ABC)

ARAB LATIN AMERICAN BANK—ARLABANK

BANCO DE BILBAO, S.A.

BANK OF TOKYO INTERNATIONAL LIMITED

DEUTSCH-SÜDAMERIKANISCHE BANK AG.

GRINDLAY BRANDT'S LIMITED

MARINE MIDLAND LIMITED

SCANDINAVIAN BANK LIMITED

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CAZENOVE & CO.
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25TH SEPTEMBER, 1980.

MINING NEWS

Oak Creek's Australian ownership must rise

BY KENNETH MARSTON, MINING EDITOR

THE AUSTRALIAN Government has demanded 50 per cent domestic ownership of the big Oak Creek development in Queensland—which is reckoned to have some of the best coking coal in Australia—before it will approve the project.

Mr. John Howard, the Australian Treasurer, has said that the venture will be given the go-ahead if the foreign partners provide an unequivocal undertaking that the required level of Australian equity ownership will be reached by the time the first coal shipments are made, probably in 1982.

Oak Creek is planned to come on stream with an initial capacity of 2m tonnes and contains at least 16m tonnes recoverable by open pit methods and a further 400m tonnes which would require underground working.

The major partners are the U.S. Houston Oil and Minerals (38 per cent) and Australia's MIM Holdings (40 per cent). In addition, Estel-Bogrovets, of Holland is taking a 9.5 per cent interest, Italy's Finisider-Italsider 7.5 per cent and Empresa Nacional Siderurgica de Spain 5 per cent. In return, the European companies all have commitments to take Oak Creek coal.

Over AS\$50m (£39.3m) has already been committed by the Houston and MIM, on developing the project and finding markets for Oak Creek coal, with development expected to start in January.

Houston tried unsuccessfully for a long time to find Australian equity before teaming up with MIM which is 49 per cent-owned by Asarco of the U.S.

Mr. Howard noted as a result of Asarco's stake in MIM, that Australian equity in Oak Creek is reduced to about 20 per cent, far below the 50 per cent level usually considered desirable.

However, Mr. Howard said the Government believed the proposed consortium structure would not be consistent with its foreign investment policy for the development of new mineral resources.

Mining industry sources said that Australian equity should not now prove as difficult as before in view of the large amount of development already completed and the fact that assured markets for the coal have been found. A MIM spokesman said further discussions on the question of local equity will be held with the Government.

Imperial Oil is ready to push ahead with development of the good-sized and good-grade Mid-west Lake uranium orebody. It shares with Nucor Oil and Gas and Bow Valley Industries in northern Saskatchewan.

Imperial's subsidiary, Esso Minerals, is working with environmental agencies to finalise an environmental impact statement for the project in which it has 50 per cent share. If the application is approved, Chairman Mr. J. A. Armstrong says it is hoped to begin construction work in 1982, with eventual start-up of the mine in 1985.

In Regina, Mr. Armstrong said, "I hope that the Saskatchewan Government sticks to its present policy of encouraging uranium production." Despite the temporary slowdown in the nuclear industry owing to the lower demand for electricity and to the Three Mile Island incident and resulting anti-nuclear sentiment, he said, "There's little doubt that demand for uranium should increase toward the middle of the decade and increase quite dramatically right through the end of the century, as the world economy switches away from fossil fuels."

Estimates are, he said, that nuclear power should account for about 10 per cent of the free world's energy by the year 2000 against only three per cent today. Mr. Armstrong added that Saskatchewan has advantages: it not only possesses about 50 per cent of Canada's known uranium reserves, but the ore is of an extremely high quality and is relatively inexpensive to mine. Finally, Sheriff Gordon Mines is recruiting workers in the UK.

For its northern Manitoba mining operations because it cannot find enough Canadian workers. There is, in fact, a world scarcity of skilled mining workers and there are no signs of the position improving.

Swedish Match shares rose by SKr3 to SKr38 1/2 on the Stockholm Stock Exchange yesterday after the company had confirmed a second gas strike on a small island it owns in the Mississippi River, reports William Dullforce from Stockholm.

Swedish Match could not say how large the discovery was but expected gas to be produced in commercial quantities. Gas and oil condensate is already being produced from the first well drilled on the island in 1978. The latest strike was made with the third well drilled.

The Swedish group acquired Profit Island, Louisiana, in 1962 as a matchstick plantation for its U.S. subsidiary Trans Match. Drilling was started on the island after gas had been found in the nearby Tuscaloosa field. Swedish Match transferred the exploitation rights to Hunt International in return for a 20 per cent royalty on the revenues. Production from the first well is expected to give Swedish Match an income of between \$3m and \$5m this year.

Starwest Investment Holdings, the private company controlled by Mr. Remo Dipre, is seeking additional information from Gough Cooper, the housing concern, in order to assess whether there is "justification for an investment in the terms of the offer" already made for the company.

Starwest—house builder, property developer and generator manufacturer—acquired 29.5 per cent of Gough in a dawn raid on July 22. On September 10 it launched a full-scale bid for the company at 120p cash per share.

Two weeks later Gough's shares were suspended at 127p on the news that it had received an approach which might lead to a higher offer being made for the company.

Starwest's offer—which Mr. John Boardman, the Gough chairman, described at the time as "most unrealistic and surprising"—valued Gough at £9.4m. At the suspension price the company is valued at £9.95m.

Starwest—which is seeking a meeting with the Gough board—said yesterday that no further bid has yet materialised although it is understood that some information has been supplied in another possible bid by Gough. The directors of Gough were not available for comment yesterday.

REO STAKIS
In a circular giving details of the proposed acquisition of Douglas Estate the Reo Stakis Organisation says that since the interim report for half year to March 31, 1980, the economic

Placer's gold mine prospect in Australia

CANADA'S Placer Development has issued further details on its exploration at its properties in Australia and Papua New Guinea.

At the 100 per cent-owned Kidston low-grade gold-silver property in Queensland, the diamond drilling programme is nearing completion and a study to determine the feasibility of production will be carried out over the next several months.

The first 47 diamond drill holes in the southwestern "Wise Hill zone" indicate estimated mineable open pit reserves of 33.7m tonnes averaging 1.57 grammes gold and 2.17 grammes silver per tonne at an overall waste to ore ratio of 1.53 to 1.

An additional 41 holes, located mostly in the same zone, have indicated an estimated further 5.3m tonnes averaging 1.5 grammes gold and 2.7 grammes silver.

The company said the mineralisation occurs around the periphery of an elliptical shaped zone of brecciation. A limited amount of drilling in the relatively unexplored north and east side of the breccia suggests possible extensions computed at 17.5m tonnes with an average grade of 1.65 grammes gold.

Selstrust's farewell

mining finance house which was recently acquired by British Petroleum reports its last half-year results as a public company. Net profits for the six months to June 30 came out at £10.9m compared with £8.2m in the first half of last year and the 1979 total of £13.7m.

Turnover for the six months ended June 30 was £14.7m, compared with £14.5m in the first half of 1979. Operating profit was £4.5m, compared with £4.3m in the first half of 1979. Realisation of investments was £3.5m, compared with £3.2m in the first half of 1979. Interest receivable was £2.7m, compared with £2.5m in the first half of 1979. Making £3.2m, compared with £2.7m in the first half of 1979. Admin. expenses were £2.7m, compared with £2.5m in the first half of 1979. Exploration was £1.6m, compared with £1.4m in the first half of 1979. Interest payable was £5.4m, compared with £5.4m in the first half of 1979. Exchange differences were £2.7m, compared with £2.7m in the first half of 1979. Taxation was £11.2m, compared with £11.2m in the first half of 1979. Profit after tax was £11.5m, compared with £11.5m in the first half of 1979. Minority int. & retained was £0.5m, compared with £0.5m in the first half of 1979. Earnings per share was 34.2p, compared with 34.2p in the first half of 1979. Dividend per share was 19.5p, compared with 19.5p in the first half of 1979. No dividend was declared for former shareholders who accepted the offer of BP shares who will receive the latter company's interim of 6.25p which was declared on September 4.

Major factors in the latest rise in Selection Trust's income have been the start of dividend payments by the Unisel gold mine in South Africa and revenue from British Smelter Constructions prior to the sale by Selection Trust of its interest in that company.

Computer networks were extended by the connection of CMG (Middlesex), CMG (Northern) and CMG (Frankfurt).

The consultancy operation expanded during the year and CMG made its first move into the area of the "electronic office".

CMG now operates from 15 branches throughout Europe, and its intention is to expand further, including in the U.S.

There are plans to open a new Dutch operating company in Utrecht with a particular emphasis on the health care area.

Bryan Mills is forecasting further substantial growth for the current year. He aims to improve the company's profit margin which, at 3.6 per cent last year, was below the figures of 10 or 12 per cent achieved by companies operating in the U.S.

Also, there was a considerable management shake-up last year which resulted in 60 per cent of

NEW SUBSIDIARY FOR KCA IN U.S.
K.C.A. International, the UK-based drilling and oil services company, has formed a new subsidiary in Houston, Texas, K.C.A. Minerals Inc., to spearhead the group's sales of barite in the Western Hemisphere.

The first supplies of Chinese barite for the American market are due for delivery in November.

EMI HOTELS SALE
Thorn EMI and Scottish and Newcastle Breweries announce that the principal conditions to the agreement for the sale of the EMI Hotels and Restaurant division to Scottish and Newcastle have now been satisfied.

The cash consideration of £33m has been paid to EMI, and final completion is expected in December.

It is also confirmed that Thorn-EMI has acquired a 30 per cent stake in Sama-Dito, a French company specialising in the manufacturing of kitchen equipment for hotels, schools, hospitals and the food industry.

Thorn intends to increase its interest in Sama-Dito to 80 per cent at a later date.

SHAFTMEAD BUYS
Mr. Graham Noakes and Mr. John Boulton, directors and joint shareholders of Shaftmead have purchased from St. Regis Paper Company (UK) the assets, goodwill and goodwill of Part-ridge and Love at Wick, Bristol.

The business will continue to trade under the name of Part-ridge and Love. Current turnover exceeds £2m per annum.

ESPERANZA
Rothschild Investment Trust is now beneficially interested in 3,476,329 shares (29.5 per cent) of Esperanza and Guinness Peat Group has disposed of an interest of 1,451,473 shares. Accordingly, the latter's interest is now reduced to 1,064,002 (9 per cent).

ALVA IMPROVES AND PAYS MORE
Taxable revenue of Alva Investment Trust increased from £108,000 to £130,243 in the half year to August 31, 1980 on gross income of £181,037, compared with £114,210.

The interim dividend is increased from 4.025p to 4.29p net. Last time a final of 5.075p was paid from pre-tax profits of £220,731.

H. Mackay into midway loss

A TURNROUND from pre-tax profit of £374,000 to losses of £338,000 is reported by H. Mackay and Co., carpet manufacturer, for the first six months of 1980, and the directors are omitting the interim dividend.

They state that steps have been taken to correct the imbalance caused by difficult trading conditions and swing the company progressively back to profits in 1981. For 1979, there was a taxable surplus of £540,000 and dividends totalling £82p.

In April the directors said the first two months of the year are traditionally minimal profit-wise but that subsequent months can and usually do right such matters. They now say that about two thirds of the loss occurred in the first quarter.

Turnover slipped from £4.86m to £4.32m in the first six months, with profits on investments of £56,000 (£38,000).

After a tax credit of £175,000 (£185,000 charge), the loss per 25p share is shown as 8.51p against earnings of 7.24p. The number of employees has been reduced by 160 as a result of a review of manning levels and natural wastage. The consolidation of plant on the Dragonville factory, where the company owns ample freehold land for future development, should be completed in early 1981. The

now-vacant Freeman's Place site has been offered for sale.

Cash balances have improved substantially since the beginning of the year, say the directors.

TAXABLE profits of Dowding & Mills, electrical and mechanical engineers, have fallen in line with the midway forecast to £1.83m in the year ended June 30, 1980, compared with £2.04m.

At the halfway stage, when the surplus was down from £1.04m to £997,013, Mr. Peter Hollings, chairman, said that in view of the prevailing level of industrial activity, the board expected profits in the second six months to be lower than for the first half.

Earnings, after tax of £742,489 (£810,605), are shown down at 3.58p (4.73p), but the dividend is stepped up by 10 per cent to 1.65p with a final of 0.95p. Sales rose during the year from £13.62m to £16.3m.

The managers finding themselves in new jobs, Mr. Mills believes that the moves in the short term held back profits, but this year should see a better performance.

The Belgium subsidiary is at last coming right having only once made a profit in the last 10 years, and finally he sees a better performance from UK software.

Second-half results of James Wilkes, maker of business forms and equipment, are expected to approach the level of those for the first six months, says Mr. W. J. Wilkes, the chairman, in his interim report.

As reported September 19, pre-tax profits for the first half of 1980 were well ahead at £230,425 (£160,906) on turnover up from £5.16m to £8.08m. Profits for 1979 totalled £280,952.

The company is continuing to make planned long term changes to bring some of its more traditional businesses activities into line with developing market trends.

Despite generally slack demand, order books in the greater part of its operating subsidiaries are at a reasonable level.

JOINT VENTURE IN INSURANCE
Stewart Wrightson (UK) and Kleinwort Benson (Guernsey) have formed a joint venture company, Capacity Resources (CI) to provide a comprehensive captive insurance management service.

Stewart Wrightson holds 70 per cent of the shares in the new company, and Kleinwort Benson 30 per cent.

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BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's time-table.

TODAY
Interim: APV, Amalgamated Metal, Barlow Holdings, Berkeley Homes, British Eagle, Brook Warron, Brown and Jackson, Dunlop, General and Commercial Investment Trust, General Investors and Trustees, Hanger Investments, Hopkins and Hornum, Alexander Howden, Charles Hurst, Percy Lane, Manor National, Modern Engineers of

Interim: Ash and Lacy, Oct. 13
Clifford's Carfax, Oct. 7
Danks Reef, Oct. 1
Finals: Bluebird Contractors, Galliford Sundley, ATV, Hunt and Moscoro, J. and J. Miskin Paper Mills, Szwed European Investment Trust.

RUTURE DATES
Ash and Lacy, Oct. 13
Clifford's Carfax, Oct. 7
Danks Reef, Oct. 1
Finals: Bluebird Contractors, Galliford Sundley, ATV, Hunt and Moscoro, J. and J. Miskin Paper Mills, Szwed European Investment Trust.

Rowan and Boden ahead at halfway
PRE-TAX profits of Rowan and Boden, furnisher, plastic manufacturer, floor and deck covering contractor, rose by £51,000 to £371,000 in the half-year to June 30, 1980. Turnover, excluding VAT, rose from £5.81m to £6.84m.

Mr. James Shaw, the chairman, says the general recession is now affecting the group in varying degrees, and shareholders should not assume the results for the full year will sustain the pattern of profit growth shown in recent years.

He says some operations are suffering from substantially reduced volumes of activity. In the plastics division there is a substantial downturn in call-offs from its main customers, and the company is being forced to reduce the workforce in this activity.

The board has confidence in the future of the plastics operations, however, and in fact is committing itself to the acquisition of further space at the Hillington factory. This will bring the production plant up to a still greater state of efficiency so as to be ready to take advantage of the market when the economy is in a more healthy state.

After tax up from £166,000 to £193,000, stated earnings per 25p share are higher at 4.41p compared with 3.51p, and the interim dividend is raised from 0.85p to 1p—last year's final was 2.21p from pre-tax profits of £687,000.

Hesketh shares finish 2p down on first day
The shares of Hesketh Motorcycles dropped quickly in 76p from the opening price of 80p when trading began under Stock Exchange rule 183/21 yesterday. Trading in Hesketh was light and finished at 78p, a narrower discount than jobbers feared. The shares were offered to the public on September 4 at 80p. The company was set up by Lord Hesketh to bring into production a new British-designed and manufactured motorcycle.

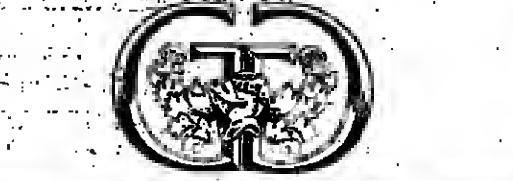
LONDON TRADED OPTIONS

Option	Ex. rate	Closing price	Vol.	Closing price	Vol.	Closing price	Vol.	Equity close
BP	330	58	1	78	—	94	5	368p
BP	590	32	42	54	22	74	11	—
BP	590	11	36	54	115	48	8	—
BP	420	34	6	—	—	—	—	—
Com. Union	140	16	5	35	6	44	—	176p
Com. Union	160	16	5	35	6	44	—	—
Com. Gold	500	153	26	162	—	185	—	650p
Com. Gold	500	103	6	128	—	128	—	—
Com. Gold	600	55	45	100	26	125	—	—
Com. Gold	650	26	58	75	41	95	20	—
Courtauld	50	84	—	54	—	84	20	97p
Courtauld	80	—	—	12	—	—	—	—
CEC	550	170	1	187	—	—	—	517p
CEC	500	55	9	67	1	85	—	—
CEC	580	103	3	128	—	128	—	—
Grand Met.	140	16	10	25	—	89	—	155p
ICI	300	11	—	13	20	21	1	355p
Land Sec.	390	8	—	32	—	55	—	379p
Land Sec.	420	8	—	32	—	55	—	—
Marks & Sp.	80	23	40	25	—	23	—	105p
Marks & Sp.	80	15	—	18	10	23	—	—
Marks & Sp.	100	10	—	11	7	16	—	—
Shell	500	54	20	56	7	70	—	420p
Shell	480	12	6	36	7	80	—	—
Shell	460	2	—	18	15	32	—	—
Totals	—	—	426	—	272	—	56	—
Imperial Gp.	70	2	2	12	—	94	—	75p
Imperial Gp.	60	—	—	34	—	—	—	—
Lorhro	100	15	16	22	10	29	1	106p
Lorhro	90	—	—	—	—	22	12	—
Lorhro	104	10	—	16	15	—	—	—
Lorhro	114	5	—	11	4	17	—	—
P. & O.	160	41	—	84	2	14	—	184p
Racal Elec.	300	51	20	7	—	62	—	314p
Racal Elec.	494	30	—	48	—	65	—	400p
Totals	—	—	55	—	56	—	20	—

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Extracts from Mr. D. W. Ostendorf's Statement
In the year ended March 31st, 1980 a record turnover was achieved. For the first time it exceeded the £50 million mark—an increase of 12 1/2%. Pre-tax profits of £563,226 (against £555,825) were maintained in spite of severe deterioration in overall trading conditions.
A final dividend of 2.5p per share is proposed, making 3.5p per share for the year.

I feel that the future must be regarded with great caution as the deepening economic depression in which the country finds itself will not leave our trade nor our company unaffected and further progress is certain to be limited by this factor.

THE Sunlight Service Group LIMITED

INTERIM REPORT

	Half year 1980	Half year 1979
Group Turnover	£9,766,344	£8,325,480
Group Profit	534,424	459,301
Taxation	128,500	238,600
Group profit after taxation	405,924	220,701
Interim Dividend (proposed)	5,500% actual	5,000% actual
Amount absorbed	453,358	448,364
Pence per share	5500	5000

* Includes provision for Deferred Taxation

The unaudited figures for the six month period ending 30th June, 1980 show a net profit before tax of £334,424 (1979 £459,301). Your board are recommending the payment of an interim dividend of 5.5%, an increase of one tenth over last year.

In the context of the difficult trading climate these results can be considered to be encouraging and whilst business in certain of the areas to which we provide services undoubtedly presents difficulties we expect to maintain progress.

During the period under review acquisitions have added to each of our Divisions. Whilst the businesses acquired are not expected to make any material contribution to earnings in the current year, we are confident these will provide long term benefits.

The sale of our Brixton freehold for £935,000 has been completed. A lease has been taken back of part of the site consisting of the office block and of an industrial unit. The proceeds will be applied in due course in partial repayment of Loan Notes issued on the acquisition of Supreme Laundries.

AGB SERVICES TO MANAGEMENT

FURTHER RECORD RESULTS:

Turnover	£29,186m.	up 42%
Pre-tax profit	£2.9m.	up 30%
Shareholders' funds	£8.6m.	up 113%
Earnings per share	12.19p	up 39%
Dividend per share	6.00p	up 36%

- All divisions have contributed to record results
- Strong financial position following successful rights issue
- Substantial increase in shareholders' funds
- 1 for 3 bonus issue proposed
- Further acquisitions planned in information industry
- Mr. Bernard Audley, Chairman, looks to future with confidence

Copies of the Annual Report for 1980 may be obtained from the Company Secretary

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Usinor forecasts losses and plans big cutbacks

BY TERRY DODSWORTH IN PARIS

USINOR, France's largest steel company, is planning substantial lay offs and sweeping production cuts in the last quarter of this year as it attempts to reduce losses brought on by the European price-cutting war.

This further crisis has over-aken the company before the end of the Government-backed re-organisation for the French steel industry which will result in shedding 12,000 jobs in Usinor. In the first half of the year, the company seemed to be pulling out of trouble, making an unexpected profit of FF88m (\$12.2m), but, according to M. Claude Etcheberry, the chairman, Usinor will be plunged into losses for the year as a whole.

The French industry has been a strong supporter during the last few weeks of EEC plans to bind European manufacturers to certain production levels underwritten by a minimum pricing system.

On this basis, the two big French producers, Usinor and

Sacilor-Sollac, were advocating cuts of around 10 per cent in the last half of the year. The effect of the present chaos in the European industry, largely sparked off by the West German and Italian producers breaking ranks on the orderly marketing plans, will be to cause much more draconian measures at Usinor. M. Etcheberry said that reductions would amount to about 20 per cent overall compared with the first half of the year and up to 40 per cent in some product areas.

He called for more interventionary steps to rescue the European industry from a situation in which he said, "no steelmaker can balance his books."

M. Etcheberry added that the solution to the present problem lay in establishing an internal European price for steel in a similar manner to the system used in the Japanese market. Either manufacturers must work out an answer themselves, he said, or EEC govern-

ments should step in, declare a crisis and impose output regulations.

M. Etcheberry's comments come as the West German Government and banks are putting pressure on the country's steel companies to work out a joint response to the crisis. Count Otto Lamsdorff, the Economics Minister, called on companies earlier this week to "get their house in order as soon as possible."

On the French side, M. Etcheberry underlined that the industry had now moved through the difficult process of re-organisation into a relatively competitive position. "When the market is reasonable, the figures show that Usinor is viable," he said.

The group's first half FF98m net profit, which included a surplus of FF28m from the sales of assets, was struck after financial charges of FF162m, depreciation of FF161m and provisions of FF187m.

Agnelli holding company steady

By Our Financial Staff

THE HOLDING company of the Agnelli family, IFI, reports maintained profits for the year ended June 1980, and a sharp drop in borrowings.

Net profits are unchanged at L3.9bn (\$10.3m). Group short-term debt has eased to L3.1bn from L3.9bn while medium- and long-term borrowings have been cut back to L2.4bn from L3.4bn. The Agnelli family is the largest shareholder in Fiat, the Italian motor group, with a 50 per cent stake. Earlier this week Fiat announced a major funding programme aimed at raising some L500bn.

IFI will distribute reduced dividends of L100 per preferred share and L50 per Ordinary share. It paid L130 and L80 respectively for 1979-80. The lower dividend will allow the company to put L5.2bn into extraordinary reserves, which now total L33.5bn.

IFI said yesterday that it would be "investing heavily" in the short term to underwrite Fiat's proposed rights issue.

South African move by Alfa Romeo

By Bernard Simon in Johannesburg

ALFA ROMEO'S South African subsidiary is to take over a portion of Fiat's local operations, as part of Fiat's efforts to disengage from South Africa. In addition, Fiat has approached Leyland South Africa to take over the assembly of some of its car models. These negotiations are still continuing.

Alfa Romeo confirmed that it is to manufacture and distribute the Fiat 128 light commercial truck. According to press reports, Alfa Romeo will probably also take over some of Fiat's 130 dealers.

The Messina group, which manufactures Datsun-Nissan vehicles under licence in South Africa, has confirmed that it has bought Fiat's assembly plant at Rosslyn, near Pretoria. Fiat's withdrawal from the South African market has been prompted by its declining market share and poor profitability. Fiat's share of total passenger car sales fell from 3.2 per cent in the first seven months of 1979 to 2.3 per cent in the same period this year.

Altech keeps up sharp profits growth in first six months

BY DES KILALEA IN JOHANNESBURG

ALLIED TECHNOLOGIES (Altech) the largest South African electronics group, has continued to post large earnings gains, with pre-tax income in the six months to end-August rising 40 per cent to R10.2m (\$13.5m). Group turnover rose by 35 per cent to R52.5m (\$70m). Earnings per share increased 45 per cent to 65.3 cents.

Altech was formed out of the sale by International Telephone and Telegraph (ITT) of the South African STC operation in 1977. It was announced last week that ITT had sold its full 33 per cent stake in Altech.

The directors say the profit increase resulted from "outstanding performance" at its subsidiaries, STC, Electronic Building Elements and MSN Products. Altech, the company recently formed as a joint venture with the French CGE group to supply electronic digital switching equipment to the South African Post Office, contributed little to profit in the first six months. But once delivery begins on the Post Office contracts earnings should swell. The first contributions are expected in the 1981-82 financial year.

Altech redeemed in the first half R1.1m of its R3.4m 11 per cent preference shares held by ITT. With the group's liquidity—cash on hand being some

R13m—an early redemption of the balance is seen here as in prospect.

The tie-up with CGE and growth in the South African electronics market, estimated at some 30 per cent annually, augur well for earnings this year. In addition Altech is pursuing exports, with an entry to the South American market for South African made electronics components. By the mid 1980s the group hopes to achieve some 30 per cent of its sales abroad, compared with around 5 per cent at present. Altech's order book at end-August was R123m, compared with R88m at end-February.

Powertech, the group power electronics offshoot, reported sales growth of 56 per cent in the first-half to R9.5m, while its pre-tax income rose 71 per cent to R1.1m. Earnings a share were 3.4c, against 2c, and prospects are seen of a year's total of 10c earnings and a 4c dividend.

In line with the group's policy of diversification by acquisition and of preserving control of Altech, Altron was set up as a holding company last March. Altron originally held 52 per cent of Altech's issued capital but recently acquired an extra 4 per cent from ITT. The balance of the ITT stake was placed by Altron with South African institutions.

Write-offs and trading setback at David Jones

BY JAMES FORTH IN SYDNEY

DAVID JONES, the department store retailer, has unveiled a sharp drop in trading profit and heavy write-offs, only weeks after control of the company changed hands. Moreover, it was announced that the property offshoot, DJ's Properties would dispose of its assets and be transformed in a listed investment group.

The aggressive, diversified industrial group, Adelaide Steamship Company recently listed about 23 per cent of both David Jones and DJ's Properties through sharemarket raids and has since assumed board control.

David Jones yesterday reported that 1979-80 trading profit was halved from A\$4m to A\$2m (US\$2.5m) after a loss in the second half. A fall in the equity-accounted result of the 40 per cent owned DJ's Properties was a major factor in

the downturn. DJ's Properties earnings fell from A\$2.1m to A\$611,000, largely because of losses on a recently opened shopping centre complex in a Sydney suburb.

The directors of the property company said that the return from property investments was inadequate, and it was intended that the portfolio would be sold. Despite the lower result, DJ's Properties has held its dividend at 8 cents a share. But the retail operation, David Jones, has omitted a final dividend, halving the annual payment to 4 cents.

In addition to the lower trading profit, David Jones incurred extraordinary losses of A\$10.7m from the writing back of A\$9.7m future income tax benefits and an A\$1.2m write-off of costs associated with a previously proposed Melbourne store.

Rights issue from Swiss Re

BY JOHN WICKS IN ZURICH

SWISS REINSURANCE, one of the world's largest reinsurance groups, plans a major rights issue to raise SwFr 84m (\$51m).

The issue will be in participation certificate capital—a new departure for Swiss Re—which is to be offered to shareholders on a one-for-two basis at a price of SwFr 350 per certificate.

In the six months ended December last, the company achieved net earnings of SwFr 69.4m. Swiss Re has changed its financial year to a calendar 12 months so there are no direct comparisons. For the 1978-79 year earnings totalled SwFr 74.4m.

For the whole calendar year 1979, as compared with 1978, group premiums improved by 10 per cent in terms of Swiss francs, helped by "more stable" exchange rates. Life reinsurance showed an improved profit in comparison with 1978 but the underwriting results on casualty and non-life reinsurance deteriorated and a considerable loss was experienced. In all, underwriting results were down on those for 1978.

Further participation certificates with nominal value of up to SwFr 10m may be issued at the board's discretion. These will be used to back future convertible or warrant bond

issues and for acquisitions. Swiss Re will recommend an unchanged SwFr 100 dividend for the six months ended December.

Schindler, the engineering group which makes lifts, expects consolidated profit to be higher in 1980 than last year's SwFr 14.6m which compared with SwFr 31.3m in 1978.

In a letter to shareholders, it said incoming orders totalled SwFr 767.9m in the first half of 1980 compared with SwFr 565.5m. The order book, without servicing contracts, at mid-year stood at SwFr 1.23bn compared with SwFr 1bn.

Lyonnais to take up trade finance stakes

By Our Financial Staff

CREDIT LYONNAIS, one of the "big three" French nationalised banks intends to acquire a 35 per cent interest in two financial institutions—Banque des Echanges Internationaux de Paris and Compagnie de Geneva.

Both banks specialise in short-term international financing and will remain under the control of Cie Financiere Sacre et Denrees, a French commodities trading concern. The transaction is subject to the approval of the French and Swiss authorities.

Meanwhile, Banque Paribas de Credit au Commerce et d'Industrie (BPCI) will shortly acquire a 45 per cent interest in another French bank, Cie Internationale de Banque (CIB).

The deal, which is subject to the approval of the National Credit Council, will involve the sale by the Revillon Freres group of 30 per cent of its 35 per cent interest in CIB. BPCI will ultimately acquire a majority interest in CIB, with Revillon retaining a minority interest.

It is believed that CIB had been obliged to seek another partner after its capital to indebtedness ratio had become too low to comply with French banking regulations.

Austrian bank shows growth

By Paul Lendvai in Vienna

OESTERREICHISCHE Laenderbank, which this year celebrates its centenary, reports a rise to Sch 104.9bn (\$8.2bn) in balance sheet total at the end of June, 1980.

Primary deposits rose by 2.7 per cent to Sch 44.2bn but savings deposits registered a drop of 1.5 per cent to Sch 18.1bn. Laenderbank provided the Austrian economy with export finance of Sch 18.3bn, up by Sch 1bn on end of 1979 levels.

After the opening of 11 new bank branches, Laenderbank, including its associated institutions, has a network of 229 branches in Austria and a staff of 3,563. The bank has opened three representative offices in Amman, London and New York and has acquired a 40 per cent interest in Banque Continentale du Luxembourg.

Philips to buy Superscope non-American operations

BY CHARLES BATCHELOR IN AMSTERDAM

PHILIPS, the Dutch electrical group, is to acquire the European and Far Eastern interests of Superscope, a small Los Angeles-based producer of quality audio equipment.

The Dutch company has reached agreement in principle to acquire Superscope's business interests outside the U.S. and Canada. These comprise Superscope's majority holdings in its subsidiaries in Europe, Taiwan and Australia as well as its 43 per cent stake in Marantz Japan.

Philips will acquire the right to use the Marantz trade name outside the U.S. and Canada but both Philips and Marantz have agreed that the Japanese company will continue to supply Superscope with its products. Superscope makes and sells audio equipment at the top end of the market for the home user, including tuners, amplifiers, loudspeakers and car radios. It had a 1979 turnover of \$17m. Marantz Japan had a 1979 turnover equivalent to \$8.5m.

Philips plans to maintain the activities currently carried out

under the Marantz trade mark as an independent part of the group. The Dutch company believes its own experience and technology in this area will strengthen Marantz.

Final agreements are expected to be signed shortly. Approval of the governments involved will then be sought. Philips refused to disclose financial details of the transaction.

ACF Holding, the Dutch pharmaceutical company, saw net profit rise by 10.3 per cent to Fl 4.05m in the first half of 1980. Turnover rose 8.6 per cent to Fl 215.9m. Profit per share was Fl 6.51 compared with Fl 5.91 in the 1979 first half.

The company said that a further recovery from the slump in 1979, when ACF's net profit fell to Fl 7.2m from Fl 12.5m, was hampered by high interest rates and unfavourable developments on the quinine market. Nevertheless, the company expects the favourable trend for the concern as a whole to continue in the second half of this year.

Good eight-month result reported by Schaubman

BY LANCE KEYWORTH IN HELSINKI

SCHAUBMAN AB, one of the largest integrated forest products companies in Finland, reports a "good net result" for the first eight months of this year.

Mr. G. Ehrnrooth, the managing director, states in his interim report that the result for 1980 as a whole is expected to be good in spite of the cyclical downturn. The outlook for 1981 is "uncertain," however.

Demand for most of the company's products—pulp and paper, packings, board and also the leisure craft branch—has been firm through the year. Net sales of the parent company increased by 32 per cent, to FM 975m (\$268m) over the eight months and for the Schaubman group the increase was 28 per cent to FM 1.1bn.

As part of its rationalisation strategy, Schaubman has acquired the Pannia plywood factory and

sold its engineering subsidiary JaRo.

Although sawn goods deliveries increased by 7 per cent in volume, profitability in this branch was not satisfactory. Price increases during the year improved the profitability of the pulp and paper division. But over the year as a whole Schaubman expects increased wage, energy and raw material costs to offset totally the benefit of the price increases.

The company does not foresee any possibility of further pulp and paper price increases in 1980.

Kebo has acquired Malmsten and Bergvall, a major Swedish industrial chemical group, for SKr 24m (\$5.5m). Kebo is part of the Beijerinvest group. As a result of the purchase, Kebo's revenues are expected to rise to SKr 400m this year and its workforce to around 500.

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By Paul Lendvai in Vienna

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Nicholas raises dividend after advance in earnings

BY OUR SYDNEY CORRESPONDENT

NICHOLAS INTERNATIONAL, the pharmaceutical group, increased its net profit by 27 per cent in the year to June, and has raised the dividend. Earnings rose from an adjusted A\$4.7m to A\$5.99m (US\$9.5m), on a 12 per cent gain in sales to A\$107m (US\$190m).

Last year's results were adjusted to allow for the group's Indian company changing from a subsidiary to an associate.

The profit meant a lift in earnings per share from 15.7 cents to 19.3 cents, and the dividend is raised from 8.5 cents to 9.5 cents—to make the fourth successive year in which the payout has been increased. The directors commented on the successful launch of Ipso fruit

drops in the UK and Switzerland, the continuing progress of skin creams in the U.S. and Africa and steady gains for Aspro Clear, Staminade and Almsy.

They added that a drop in the average group tax rate from 51 per cent to 43 per cent was a significant factor in the profit improvement. This had enabled target earnings to be achieved, while the group's advertising of key products was increased.

The directors said that there was a further increase in profitability in Continental Europe, a healthy return to profit for Watson Victor, and a highly profitable first full year of Ipso manufacture at James Roscommon, in Ireland.

Tata unit is sales leader

BY P. C. MAHANTI IN CALCUTTA

THE COMMERCIAL vehicles manufacturing arm of the Tata Group, Tata Engineering and Locomotive Company, recorded the largest sales of any private sector engineering company according to a survey by the Association of Indian engineering industry recently published. It has even overtaken the Tata Iron and Steel Company, the group leader in values of production and sales which were Rs 3,84bn (\$480m) and Rs 3,74bn (\$467.5m) respectively.

The company now plans to invest Rs 1,30bn to produce an additional 20,000 commercial

vehicles annually and says that annual turnover will benefit by a further Rs 4bn from the planned new investment.

The falling trend in Indian steel production has been a serious concern in industry here, especially in engineering, which fears worse shortages for the metal. If the supply gap is bridged by higher imports the cost to industry would be substantially higher.

According to the latest available figures steel output during the first four months of the current financial year dropped by 22 per cent to 2.18m tonnes, compared with the target of 2.77m tonnes and about 2.4m tonnes in the same period of the previous year.

AMPOL PETROLEUM

Offshoot buys 14.9% stake from Ansett

BY OUR SYDNEY CORRESPONDENT

AMPOL EXPLORATION has bought a 14.9 per cent equity stake in its controlling shareholder Ansett Petroleum for A\$49m (US\$69.2m). Ansett Petroleum owns 49.17 per cent of Ansett Exploration and has seven of its directors on the ten-man Ansett Exploration board.

The shares were bought from Ansett Transport Industries, now jointly owned by the News Corporation and Thomas Nationwide Transport, and were a legacy of a takeover battle

between Ansett and Ansett last year when each raided the other on the share market.

The two companies entered into an agreement over their holdings. Ansett has since sold its Ansett stake, but the agreement remained in force. It gave Ansett the right to nominate a buyer if Ansett wished to sell. Ansett recently offered to sell a 5.5 per cent holding when doubts were raised that Ansett's television interests could jeopardise the television hold-

ings of News Corporation under the Broadcasting and Television Act. Ansett nominated Ansett Exploration, which last month bought the parcel for A\$1.56 a share, or A\$14m. At the time Ansett shares were selling at A\$1.42.

Ansett's share price has since risen to A\$1.70 but Ansett Exploration said yesterday that it had accepted an offer to buy Ansett's remaining Ansett shares for the earlier price of A\$1.56. This will cost A\$28.41m,

but Ansett has agreed to extend vendor's terms to enable payment over two years.

Until recently Ansett Exploration was a 64 per cent owned subsidiary of Ansett and would have been prevented under the Companies Act from buying shares in its parent. But in June Ansett sold a 19 per cent stake to institutions to more clearly separate the two companies and to allow Ansett Exploration to independently broaden its scope.



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PRICE INDEX	23.90	16.90	AVERAGE YIELD	23.90	16.90
OM Bonds	55.30	35.49	OM Bonds	8.551	8.513
HFL Bonds & Notes	93.28	93.24	HFL Bonds & Notes	9.561	9.566
U.S. \$ Int. Bonds	87.33	87.97	U.S. \$ Int. Bonds	11.815	11.670
Can. Dollar Bonds	89.10	89.79	Can. Dollar Bonds	12.267	12.322

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GUARANTEED FLOATING RATE NOTES "C" 1987

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Companies
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CURRENCIES, MONEY and GOLD

Pound eases

The foreign exchange market paused for breath yesterday after the sharp movements seen earlier in the week. Lack of fresh news from the Middle East left the market featureless, and some profit taking took place. Without further momentum there was some unwinding of long dollar positions, while sterling fell back against European currencies mainly in reaction to its recent rise. However sterling's undertone remained firm, underpinned by North Sea oil and high interest rates, and its trade weighted index finished at 76.3, down from 78.7 on Tuesday, but still above last Friday's figure of 75.4.

Against the dollar, sterling opened at \$2.4032-4040, and rose briefly to \$2.4065-2.4075, before coming back to \$2.4030-2.4050, where it stayed for most of the day. Towards the close of business the pound started to ease, and closed at \$2.3990-2.4000, a fall of 30 points from Tuesday. Against the French franc it fell to FF 198.850 from Tuesday's FF 199.25, and a half high of FF 199.825, and was lower in terms of the D-mark at DM 4.3100 compared with DM 4.3550.

The dollar finished on or around its lowest level of the day, closing at DM 1.7045 against DM 1.8115 and SwFr 1.6430 from SwFr 1.6610. The Japanese yen also gained ground, with the U.S. unit finishing at ¥214.50 compared with ¥218.25 previously. On Bank of England figures, the dollar's trade weighted index fell from 84.3 to 83.8.

D-MARK—One of the weaker members of the European Monetary System, and unsettled just recently by Middle East unrest, falling to a four-year low against sterling, and its lowest level against the dollar since May. The D-mark recovered in Frankfurt yesterday as the market lost momentum awaiting further developments in the Iran/Iraq conflict. Most currencies

were fixed lower, notably the dollar, which fell to DM 1.8008 from DM 1.8146, and sterling to DM 4.3300 from DM 4.3630. Within the EMS the French franc was fixed lower at DM 43.05 per FF 100 against DM 43.055, and the Dutch guilder slipped to DM 91.85 per FF 100 compared with DM 92.01 on Tuesday. On the other hand the Belgian franc was marginally firmer at DM 6.238 per FF 100 from DM 6.231, and the Danish krone rose to DM 32.33 per DKr 100 from DM 32.325.

BELGIAN FRANC—Showing a weaker tendency in terms of its EMS partners, and despite central bank support, remains depressed by current Middle East uncertainty. The Belgian franc was mostly firmer at yesterday's fixing in Brussels, reflecting some profit taking in the U.S. dollar and sterling. The Belgian National Bank left the discount rate unchanged at 12 per cent and most dealers had not expected any cut. In view of the franc's current weakness, the dollar was fixed lower at FF 23.85 compared with FF 23.095, and sterling fell to FF 69.35 from FF 69.775.

JAPANESE YEN—Still firmer than a month ago, having been helped by the past weakness of the dollar, and a fundamental improvement in the Japanese economy. Just recently however, fears over disruption of oil supplies due to the Middle East conflict, have seen the yen lose ground quite sharply. The yen continued to lose ground in Tokyo yesterday, with the dollar closing at ¥218.25, its highest level this month, and compared with ¥212.55 on Monday. Markets were closed on Tuesday for a holiday. The U.S. unit opened at ¥217.50 and fell back to ¥215.10 to active trading. Later in the day it touched a high of ¥218.80, as tension increased in the Middle East.

THE POUND SPOT AND FORWARD

Sept. 24	Day's spread	Close	One month	%	Three months	%
U.S.	2.3990-2.4075	2.3990-2.4000	1.15-1.05c	pm	5.50-2.13-2.03	pm
Canada	2.7900-2.8000	2.7900-2.7800	1.60-0.50c	pm	4.75-2.25-2.10	pm
Netherlands	1.8500-1.8600	1.8500-1.8400	0.25-0.15c	pm	2.41-1.25-1.10	pm
Denmark	32.31-32.35	32.31-32.32	0.20-0.10c	pm	1.75-0.75-0.70	pm
Ireland	1.4500-1.4600	1.4500-1.4400	0.20-0.10c	pm	2.20-1.10-1.00	pm
W. Ger.	1.7000-1.7100	1.7000-1.6900	0.10-0.05c	pm	1.50-0.75-0.70	pm
Portugal	119.50-120.00	119.50-120.15	0.20-0.10c	pm	1.50-0.75-0.70	pm
Spain	175.25-176.00	175.25-176.35	0.10-0.05c	pm	1.50-0.75-0.70	pm
Italy	2047-2053	2047-2048	0.10-0.05c	pm	1.50-0.75-0.70	pm
France	198.85-199.25	198.85-199.25	0.10-0.05c	pm	1.50-0.75-0.70	pm
Sweden	9.50-9.55	9.50-9.55	0.10-0.05c	pm	1.50-0.75-0.70	pm
Japan	514-515	514-515	0.10-0.05c	pm	1.50-0.75-0.70	pm
Austria	33.80-33.85	33.80-33.85	0.10-0.05c	pm	1.50-0.75-0.70	pm
Switzerland	2.64-2.65	2.64-2.65	0.10-0.05c	pm	1.50-0.75-0.70	pm

THE DOLLAR SPOT AND FORWARD

Sept. 24	Day's spread	Close	One month	%	Three months	%
U.S.	2.3990-2.4075	2.3990-2.4000	1.15-1.05c	pm	5.50-2.13-2.03	pm
Canada	2.7900-2.8000	2.7900-2.7800	1.60-0.50c	pm	4.75-2.25-2.10	pm
Netherlands	1.8500-1.8600	1.8500-1.8400	0.25-0.15c	pm	2.41-1.25-1.10	pm
Denmark	32.31-32.35	32.31-32.32	0.20-0.10c	pm	1.75-0.75-0.70	pm
Ireland	1.4500-1.4600	1.4500-1.4400	0.20-0.10c	pm	2.20-1.10-1.00	pm
W. Ger.	1.7000-1.7100	1.7000-1.6900	0.10-0.05c	pm	1.50-0.75-0.70	pm
Portugal	119.50-120.00	119.50-120.15	0.20-0.10c	pm	1.50-0.75-0.70	pm
Spain	175.25-176.00	175.25-176.35	0.10-0.05c	pm	1.50-0.75-0.70	pm
Italy	2047-2053	2047-2048	0.10-0.05c	pm	1.50-0.75-0.70	pm
France	198.85-199.25	198.85-199.25	0.10-0.05c	pm	1.50-0.75-0.70	pm
Sweden	9.50-9.55	9.50-9.55	0.10-0.05c	pm	1.50-0.75-0.70	pm
Japan	514-515	514-515	0.10-0.05c	pm	1.50-0.75-0.70	pm
Austria	33.80-33.85	33.80-33.85	0.10-0.05c	pm	1.50-0.75-0.70	pm
Switzerland	2.64-2.65	2.64-2.65	0.10-0.05c	pm	1.50-0.75-0.70	pm

CURRENCY MOVEMENTS

Sept. 24	Bank of England Index	Morgan Guaranty Change	Sept. 25	Bank of England Index	Morgan Guaranty Change
Sterling	76.3	-0.5	Sterling	76.3	-0.5
U.S. dollar	85.8	-0.5	U.S. dollar	85.8	-0.5
Canadian dollar	80.6	-0.5	Canadian dollar	80.6	-0.5
Australian dollar	158.4	-0.5	Australian dollar	158.4	-0.5
Belgian franc	118.0	-0.5	Belgian franc	118.0	-0.5
Danish kroner	105.0	-0.5	Danish kroner	105.0	-0.5
Deutsche mark	153.9	-0.5	Deutsche mark	153.9	-0.5
French franc	197.4	-0.5	French franc	197.4	-0.5
Italian lire	126.1	-0.5	Italian lire	126.1	-0.5
Japanese yen	100.8	-0.5	Japanese yen	100.8	-0.5
Swedish krona	132.4	-0.5	Swedish krona	132.4	-0.5

OTHER CURRENCIES

Sept. 24	Sept. 25	Sept. 24	Sept. 25
Argentina peso	4,520-4,540	4,520-4,540	4,520-4,540
Australia dollar	2,050-2,065	2,050-2,065	2,050-2,065
Brazil cruzeiro	137.70-138.70	137.70-138.70	137.70-138.70
Finland markka	8.00-8.05	8.00-8.05	8.00-8.05
Great Britain	105.60-106.80	105.60-106.80	105.60-106.80
Hong Kong dollar	11.94-11.96	11.94-11.96	11.94-11.96
Iran rial	0.64-0.65	0.64-0.65	0.64-0.65
Kuwait dinar	0.64-0.65	0.64-0.65	0.64-0.65
Luxembourg franc	60.00-60.10	60.00-60.10	60.00-60.10
Malaysia dollar	0.040-0.041	0.040-0.041	0.040-0.041
New Zealand dollar	0.44-0.45	0.44-0.45	0.44-0.45
Saudi Arabia riyal	0.040-0.041	0.040-0.041	0.040-0.041
Singapore dollar	0.040-0.041	0.040-0.041	0.040-0.041
South Africa rand	0.040-0.041	0.040-0.041	0.040-0.041
U.A.E. Dirham	0.040-0.041	0.040-0.041	0.040-0.041

EMS EUROPEAN CURRENCY UNIT RATES

Sept. 24	Sept. 25	Sept. 24	Sept. 25
Belgian franc	20.7897	40.6880	+2.19
Danish kroner	7.2236	7.2437	+1.63
German D-Mark	2.4628	2.4588	-0.16
French franc	5.8200	5.8281	+0.61
Dutch guilder	2.7432	2.7566	+0.47
Irish punt	0.8820	0.8749	-0.08
Italian lire	197.79	193.27	-2.46

EXCHANGE CROSS RATES

Sept. 24	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canadian Dollar	Belgian Franc
Pound Sterling	1.00	2.40	4.30	514.5	99.55	1.64	4.80	204.8	2.76	69.05
U.S. Dollar	0.417	1.00	1.795	214.5	41.61	1.64	1.80	85.5	1.76	59.70
Deutsche Mark	0.232	0.557	1.00	118.5	2.318	0.916	1.088	476.4	0.649	16.03
Japanese Yen	1.943	4.661	8.368	1000	19.40	7.654	9.082	397.8	4.431	114.1
French Franc	1.002	2.403	4.314	515.6	1.00	3.851	4.687	205.1	2.800	99.16
Swiss Franc	0.265	0.608	1.092	130.5	2.551	1.00	1.188	519.1	0.709	17.50
Dutch Guilder	0.214	0.515	0.920	110.0	2.134	0.843	1.00	437.6	0.597	14.78
Italian Lira	0.488	1.178	2.103	261.3	4.875	1.028	2.285	1000	1.369	33.72
Canadian Dollar	0.358	0.858	1.541	184.1	5.572	1.411	1.674	732.6	1.049	24.70
Belgian Franc	1.446	3.475	6.358	748.5	14.46	6.713	6.778	890.6	1.049	100

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 24)

3 months U.S. dollars	5 months U.S. dollars
bid 12 offer 12 1/8	bid 12 1/8 offer 12 3/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offer rates for \$100 quoted by the market's five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Paribas, and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Sept. 24	Sterling	U.S. dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian Yen	Japanese Yen
1 month term	16 1/4-16 1/2	10 1/4-10 1/2	0-10	6 1/4-6 1/2	5 1/4-5 1/2	8 1/4-8 1/2	11 1/4-11 1/2	14-17	10 1/4-10 1/2	12 1/4-12 1/2
3 months term	16 1/4-16 1/2	10 1/4-10 1/2	0-10	6 1/4-6 1/2	5 1/4-5 1/2	8 1/4-8 1/2	11 1/4-11 1/2	14-17	10 1/4-10 1/2	12 1/4-12 1/2
6 months term	16 1/4-16 1/2	10 1/4-10 1/2	0-10	6 1/4-6 1/2	5 1/4-5 1/2	8 1/4-8 1/2	11 1/4-11 1/2	14-17	10 1/4-10 1/2	12 1/4-12 1/2
1 year term	16 1/4-16 1/2	10 1/4-10 1/2	0-10	6 1/4-6 1/2	5 1/4-5 1/2	8 1/4-8 1/2	11 1/4-11 1/2	14-17	10 1/4-10 1/2	12 1/4-12 1/2

Long-term Eurodollar two years 12 1/2-13 per cent; three years 12 1/2-13 per cent; four years 12 1/2-13 per cent; five years 12 1/2-13 per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-day notice. Asian rates are closing rates in Singapore. The following nominal rates were quoted for London dollar certificates of deposit: one-month 11.30-11.40 per cent; three-months 11.25-11.35 per cent; six months 12.25-12.35 per cent; one-year 12.45-12.55 per cent.

INTERNATIONAL MONEY MARKET

Singapore rates firm

Money market rates remained tight in Singapore yesterday, after indications that the authorities had recently closed the discount window to discount houses, by which houses have been borrowing funds at a preferential rate. Overnight money has been quoted as high as 15 per cent for most of the week, and this upward pressure spread to major banks' prime rates on Tuesday when United Overseas Bank Group raised its prime rate to 11 per cent from 10 per cent. The other three big local banks all have prime rates at the moment of 10 per cent, and seem likely to follow UOB's latest move unless conditions improve.

The latest Treasury bill offering seems to reflect the recent shortage of liquidity since the \$540m of 91-day bills on offer is to replace maturing bills worth \$550m. For most of this year a majority of new Treasury bill sales have exceeded in value the amount maturing, and the Monetary Authority of Singapore, in offering a reduced amount, will be aware of the upward trend in rate and the fact that bids for bills are unlikely to be keenly contested while the bills yield considerably less than current market returns.

MONEY RATES

NEW YORK	Sept. 24	Sterling	Interbank	Local Authority	Finance	Discount	Eligible	Prime
Prime Rate	12 1/2	15-16	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2
3 months	10-11	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2
6 months	10-11	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2
1 year	10-11	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2	16 1/4-16 1/2

GOLD

Slight fall

Gold fell \$7 1/2 an ounce in the London bullion market yesterday to close at \$707.710. Trading was comparatively subdued from earlier in the week, and the metal moved within a fairly narrow range. Yesterday's fall was caused to some extent by position squaring, with the outlook for the metal remaining bullish.

In Paris the 12 1/2-kilo bar was fixed at FF 94,500 per kilo (\$703.17 per ounce), compared with FF 94,825 (\$703.27) in the morning, and FF 94,500 (\$699.52) on Tuesday afternoon. In Frankfurt the 12 1/2-kilo bar was fixed at DM 41,255 per kilo (\$711.86 per ounce) against DM 42,010 (\$719.50) previously, and closed at \$710.715 compared with \$709.712. In Zurich gold finished at \$709.712 per ounce, against \$713.717 previously.

UK MONEY MARKET

Free supply

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980). Supply to day credit was in good demand in the London money market yesterday, and there was no intervention by the Bank of England. Banks carried forward balances a small way above target from Tuesday, and Government disbursements exceeded revenue transfers to the Exchequer by a small amount. There were no appreciable factors working against the market. Discount houses were paying around 15 per cent for secured call loans at the beginning of the week.

GERMANY
W1

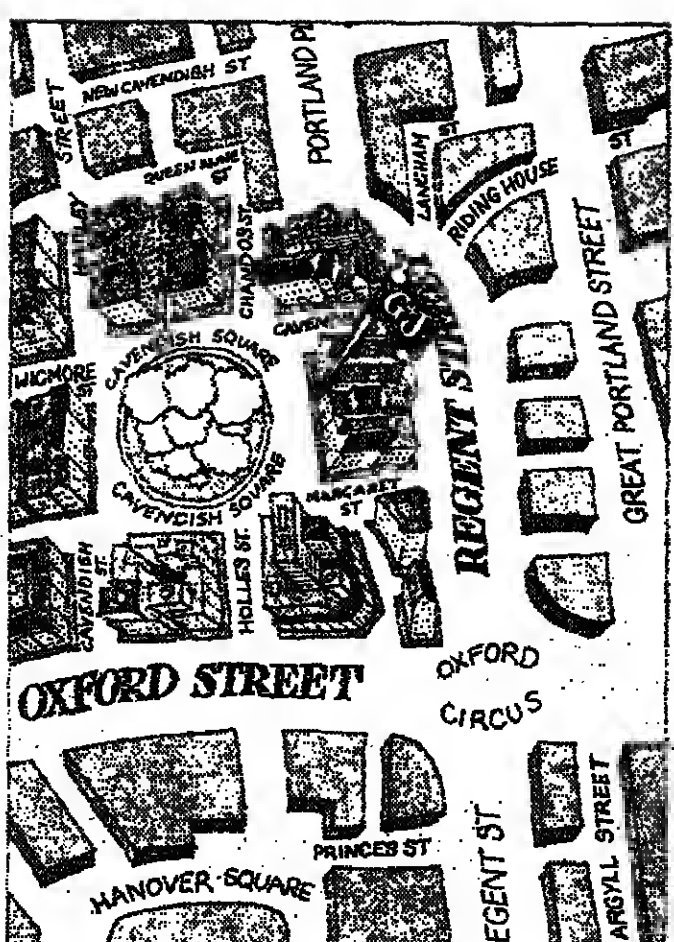
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FINANCIAL TIMES SURVEY

Thursday September 25, 1980

European Plastics

Despite the present chaotic market conditions facing European plastics producers, the longer-term outlook for the industry, and for British companies in particular, is far from bleak as manufacturers anticipate a steady, underlying growth in demand during the 1980s.

Industry facing severe decline

By Sue Cameron

Chemicals Correspondent

TODAY, THE European plastics industry is facing up grimly to a savage and seemingly protracted slump, with demand and prices spiralling steadily downwards.

None of the major polymer producers in the UK, or on the Continent, is making a profit and the downturn in business appears set to continue. Even the most optimistic companies do not expect volume sales to reach the levels of last year until 1982.

Perhaps one of the most surprising aspects about the industry in its present plight is that there are optimists to be found within some of its leading concerns. They are not people who predict that a miracle is just around the corner and that, in a few months' time, a near-catastrophe will have given way to a boom. But they do stress that the plastics industry in 1980

has coped rather better with a sudden sharp collapse in demand than it did during its last crisis in 1974 to 1975.

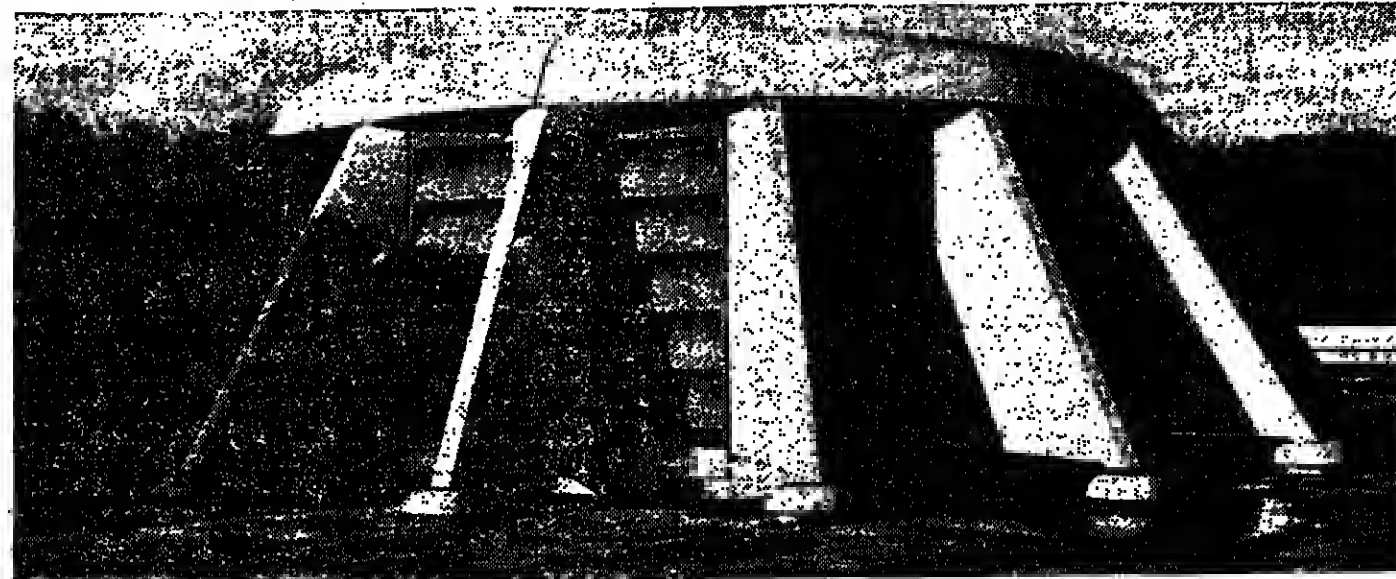
They add that although the bottom may have fallen out of the market this summer, plastics producers can look forward to a steady, underlying growth in demand throughout the 1980s.

They admit that the growth will be as nothing compared to the market expansion that took place in the 1960s when the polymer industry sometimes seemed virtually unstoppable. But they point out that most of the five bulk plastics—polystyrene, polypropylene, polyvinyl chloride or PVC, high density polyethylene (HDPE) and low density polyethylene (LDPE)—are forecast to increase their volume sales by considerably more than the average predicted annual growth in Gross Domestic Product.

Senior executives in some major European plastics concerns can even detect the beginnings of an improvement in trading conditions in the chaotic situation that confronts them now. In the third quarter of 1980, but in the meantime, they admit that the plastics industry shows every sign of being a disaster area—albeit a temporary one.

Downturn

The seeds of the current dramatic downturn in business were sown last year when the plastics industry in Western Europe enjoyed an all-too-brief respite from years of over-



Plastic cupolas top Cardiff's new space-age building. The flying saucer shaped structure, made by ConCorgo—a member of the BTR group, one of the UK's largest plastics manufacturing groups—houses air-extraction equipment on the roof of Cardiff's new £12m Radiochemical Centre.

capacity and weak prices. The revolution in Iran and the ensuing oil crisis pushed up the price of naphtha (the oil-based raw material that is vital for polymer production) to unprecedented heights. And plastic product prices rose on the back of the naphtha cost increases. Everything that bore a price tag went up—from the high-tonnage plastics materials to the humble plastic shopping bag.

During 1979, naphtha prices doubled and, by the end of the year, the spot price had reached the undreamed level of \$400 a tonne. The Rotterdam spot market price overtook naphtha contract prices and drove them upwards too. Plastics producers

beat their breasts over the raw material cost rises as they stood on the public stage where their customers could see them—and then hurried off joyfully to initiate yet another round of swinging product price increases.

The polymer manufacturers knew the good times could not last and most of them expected the downturn to come at the start of this year, bringing a drop in demand of perhaps 10 per cent or, at worst, 15 per cent. But the tide continued to flow in their favour right through the first quarter of 1980. They were startled—but pleased. Yet they were aware that despite the price rises they

had pushed through, and despite the fears of oil and naphtha shortages, plus the fortuitous breakdowns in a number of plastics plants that had briefly banished the depressing effects of over-capacity, their profit margins were still not wholly adequate.

When the crash came at the end of March, it was far worse than they had predicted. Demand fell almost overnight by between 25 and 30 per cent—sometimes more. At the same time, U.S. plastics producers were starting to increase their exports to Europe and the material that came across the Atlantic was priced far more cheaply than Europe's own

product.

European companies made an attempt to maintain pricing discipline, but it was a brief and unsuccessful one. Prices began to tumble as producers vainly chased non-existent volume sales. Right now, prices are still deteriorating.

The customer industries, such as motor manufacturers and building companies which stocked up last year to avoid rising plastics prices, started to de-stock. Their own businesses were hard hit by the growing recession that affected first the U.S. and then Europe. De-stocking, and the accompanying fall in demand and prices, is not expected to come to an end until well into the final quarter

of this year. Meanwhile, the plastics industry is in disarray. Experts estimate that polymer prices need to rise by between 20-40 per cent on their August levels before producers can obtain adequate profit margins on their operations. It is a tall order for anyone, but particularly for an industry that has been battered and bruised almost continuously over the past few years.

Price level

Yet the first signs of an upsurge can already be detected on the horizon. For one thing, naphtha prices have been falling slowly but steadily. Rotterdam spot prices had dropped to around \$260 a tonne by the beginning of September and, although the contract price had held up to an average of about \$330 a tonne at the end of June, it is expected to fall back sharply at the start of the fourth quarter. This should ease some of the pressure on plastics producers.

By the beginning of September this year, the first tentative efforts to start increasing prices again had been made—strangely enough in polystyrene, the polymer that is predicted to grow least over the coming decade.

The major plastics manufacturers also add firmly that destocking cannot last much longer. They expect that, despite the general economic downturn, their customers will start restocking soon—although how quickly and to what extent, nobody is prepared to guess. Industry experts say that demand in 1980 will probably be about 5 per cent lower, over-

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all, than in 1979. They reckon that in two years' time, plastics deliveries will have regained the ground lost this year—and from then on they will be looking for a steady if modest growth in the plastics market of around 3 to 4 per cent. Polystyrene is forecast to grow at only around 2 per cent a year during the 1980s, while polypropylene, the "youngest" of the bulk polymers, is expected to expand its market at between 12 and 14 per cent. The other three are thought likely to have a growth rate in the 3 per cent to 4 per cent a year range with HDPE perhaps touching 5 per cent in a good year.

Many other industries not only survive but are highly profitable, operating on far smaller growth rates than these. In the longer term, therefore, many leading plastics producers

CONTINUED ON NEXT PAGE

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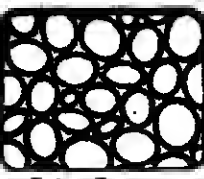
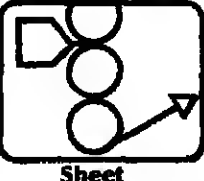
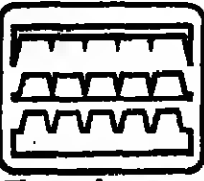
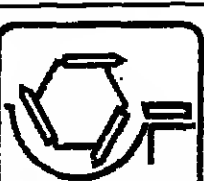


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 Blown Film Extruders Hydraulic screen changers Radial center-fed dies Flexographic printing presses Bag Machines Winders Tower & Machine mounted assemblies & mechanisms	60-200mm up to 200mm 100-200mm 1-6 colors Idler roll width up to 3800mm Idler roll width up to 3150mm To suit individual systems	Individual design for HDPE & LDPE Single & Multiple layer Extrusion Single & Multiple layer Special design for in-line operation Garment, universal, heavy duty, sideweld bags Single & dual turret - shaftless, alternatively with core shafts Slitters, folders, guides, rack & pinion traverse mechanisms, nip rolls, post gusseting, treaters & idler rolls, bubble container racks
 Extruded Foam Extruders Dies Pull Roll Units Winders	60mm-200mm appropriate to sheet width	Extrusion, totally integrated, precisely controlled system with direct gas injection
 Sheet Extruders Dies Roll Stacks Winders Shears	60mm-200mm Width up to 3550mm Width up to 3550mm Width up to 3550mm	Single & Multiple layer For sheet & cast film presses Embossing, polishing, laminating, coating Fully automatic Phantom axis turret design Electronic digital shear actuation, precise length control, automatic stacking
 Thermoformers Thermoformers Trim Presses	5 sizes, 500mm x 635mm forming area to 1500mm x 2000mm forming area	In-line and out of line and cut in place operation (Kirkoff design)
 Reclaim Systems Repelletizing Systems Granulators Pelletizers	3 sizes, 90mm/120mm/150mm 23 models 3 sizes, 125mm/200mm/300mm	Complete reclaim extrusion systems for film, foam, and sheet scrap. Sizes from 100 x 200mm to 500 x 1500mm feed openings. 1kW to 225kW Auger feed to extra heavy duty chunk granulators. Replaceable knife rotor or Helical tooth cutters

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EUROPEAN PLASTICS II

UK production chain forged from strong and weak links

THE CHAIN of the British plastics industry, which runs all the way from the North Sea oil fields to some 4,000 scattered process plants, is a curious amalgam of strong and weak links.

Nothing should give it a stronger base than the North Sea hydrocarbons industry, allowing the sector to reap high rewards in domestic added value.

Yet just when Britain is starting to get the full benefits of North Sea oil and gas, the next link in the chain is looking distinctly weak: the plastics materials industry is facing strong competition from abroad and imports to the UK are at a disturbingly high level.

Nor is the machinery sector looking particularly healthy. Even Mr. John Parsons, the new President of the British Plastics Federation, has acknowledged that "the UK plastics machinery industry is small and fragmented and not making sufficient profits to fund new developments."

The final link in the chain, the process sector making plastic goods, has been hard hit by the recession, which has taken a particularly heavy toll of small, inefficient plants. But it still retains an underlying robustness. Imports, though increasing, have a limited market penetration, while productivity has shown some sharp improvements.

Tough competition from Europe leaves no grounds for complacency, however, particularly in the middle of a recession. The relative weakness of the materials sector could pose problems for the processors.

Petrochemicals

As the Plastic Processing Sector Working Party of the National Economic Development Council points out in its latest report: "A strong, vigorous and competitive UK petrochemicals sector is of prime importance to the performance of the plastics processing industry."

Import penetration in plastics materials has been recently increasing steadily at a rate of 2 to 3 per cent a year. Imports now account for 40 per cent of the UK market. It is largely a question of UK manufacturers losing out to Euro-

pean competitors, though the advent of cheap American imports is currently complicating the picture further.

What has gone wrong? Price is a reason often quoted by UK processors for a switch to a foreign supplier, but that only seems to be part of the answer. Other important factors are said to be a greater willingness of overseas suppliers to involve themselves in end-product development and more

to be over-ambitious, but they remain a useful goal.

In the field of exports, Britain's share of world trade (albeit slowly increasing) is still only half that of France or Italy and only a quarter of that of West Germany. Moreover, it is far more concentrated than its rivals in Third World markets, performing less well in the tough European theatre.

On the import side, a study earlier this year by the BPF

machinery maintenance, the development of multi-skilled craftsmen (union demarcation difficulties permitting) and greater employee education.

One of the more contentious areas of debate within the industry is on how to raise Britain's use of plastics, for this involves the sector's image of itself and delicate questions of design, investment and research and development. Plastics use per head in Britain is about half that in West Germany and significantly below that of other West European countries.

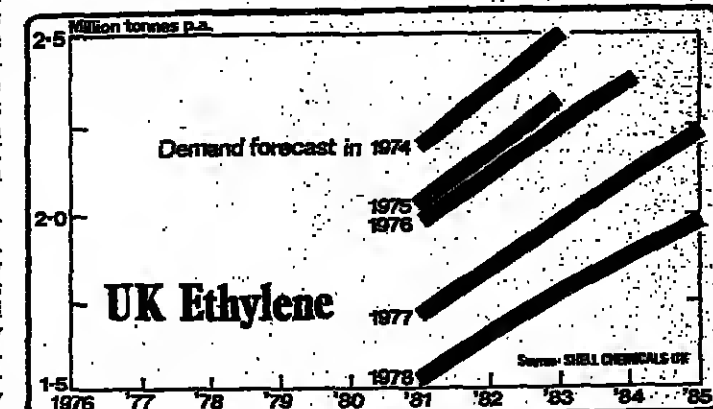
More traditional members of the industry argue that plastics in Britain simply have a bad image, conjuring up ideas of cheapness and shoddiness. As an example, they point to the fact that Britain is only now catching on to the PVC window frame, way behind Europe.

Others argue equally vehemently that there is no real evidence to show greater customer resistance in the UK, that the lower per capita sales are a product of Britain's relative poverty, that the industry is too defensive, and that there are very sound reasons why PVC window-frames have not caught on here before now. Nevertheless, there does seem to be some truth in the argument that Britain is not paying as much attention as its Continental rivals to the development of new products and fresh designs.

Certainly, the leaders of the industry are anxious to ram home the message that good design is vital. If British companies are not merely to keep their heads above the present market but to expand the frontiers of plastic as a substitute for traditional materials.

One example of this is the BPF's annual Horner awards for the design of plastics products with proven commercial application. Another pointer is the fact that the BPF, together with the sector working party, will be mounting a design exhibition for the first time at the engineering design show in November.

Martin Dickson



consistent quality in their materials. A crisper continental approach to business relationships is also sometimes mentioned.

The weaknesses of the materials sector—dominated by a handful of large chemicals companies—are sometimes belittled in the processing sector, which is divided into some 4,000 plants (only 2,000 of them with plastics as their main product) of widely varying size, 85 per cent of them employing not more than 150 people.

But figures suggest that the picture is exaggerated. Imports have only penetrated 10 per cent of the market, a figure that has remained fairly constant since the early 1970s.

Nevertheless, there remains substantial room for improvement and the sector working party has set the industry four goals for the early 1980s: to double exports, halve imports in selected areas, raise value-added per employee by 30 per cent, and increase plastics usage in the UK to EEC levels. The targets are now acknowledged

established that many imports were basic consumer goods—such as 1,500 tonnes of plastic coat-hangers a year—which UK manufacturers should be able to produce without difficulty at competitive prices.

Moreover, many of these articles come from Western countries. The familiar argument that imports have made such headway on the home market because they are from countries of low cost labour is shown to be a false one in this instance, the Federation observed.

As regards productivity, the industry has recorded some substantial improvements in recent years, with efficiency rising from a base of 100 in 1975 to 130.2 by mid-1978. Admittedly, 1975 was a year of substantial capacity under-utilisation, but the trend still seems encouraging.

At the same time, there is wide agreement that much greater productivity gains are still possible. A study by the sector working party last year called for greater production planning, close attention to

Severe decline CONTINUED FROM PREVIOUS PAGE

believe the outlook for their industry is positively bright. They point out that few major new investment projects have been announced in the past 18 months and this should ultimately help to solve problems of overcapacity.

There are other signs of hope on the horizon. The days when new ways of substituting plastics for traditional materials, such as metal, wood and glass were being discovered almost daily, are gone for good—except, possibly, in the case of polypropylene. But the industry is still spending money on research and development. More economic production processes are being worked out even today and more specialised materials, exactly suited for particular applications are also being developed.

When the current recession first began in the West, there were fears that producers of traditional materials might seize their chance to oust plastics from their new pre-eminent position in many applications. But these appear to have proved groundless.

Plastics prices may have risen and shoppers may have found that the big stores and the small retailers are more miserly with their plastics packaging than they once were.

But world crude prices rises have led to increased costs for makers of paper and wood as much as for plastics manufacturers. The latter seem to have retained their strong position in

many sectors of their markets.

The general economic recession has taken its inevitable toll of plastics fabricators—particularly in the UK. British plastics processors have tended to be more fragmented than their Continental counterparts. Many of them have been too small to remain economically viable in depressed marketing conditions—particularly where they have failed to recognise the need for efficient, modern production methods and for good design.

Big impact

Rationalisation, as it is euphemistically known, has had a severe impact on the number of small, processing companies. But, ultimately, it may be that this will lead to a stronger, more effective fabricating industry. The big producers of bulk plastics materials believe this to be the case and they stress that they can only benefit by having sturdier, more efficient customers.

The UK itself also stands to gain from a streamlined plastics processing industry. Over the last few years, imports of finished plastics goods from other members of the European Economic Community to Britain have increased substantially. Competition from the Continent can only be held at bay by companies that are robust, ruthless to some extent and efficient.

Looking further ahead, the whole of the British plastics industry—from bulk polymer material producers to tiny con-

cerns whose capital equipment consists of one or two extrusion machines—can hope to obtain a larger share of European market growth as a result of North Sea oil. The Government has given the go-ahead for the building of a new North Sea gas gathering system, one which will provide sufficient ethane gas to provide feedstock for at least one new ethylene plant and perhaps, ultimately, two.

Competition to build an ethylene plant based on North Sea gas feed stocks or to use the ethane from the new pipeline as raw material in an existing plant is fierce. Among those that have thrown their hats into the ring are shell Chemical UK, Esso Chemicals, Imperial Chemical Industries, the U.S.-based Dow, BP Chemicals, the U.S.-based Occidental group and one or two rather more obscure contenders.

Ethylene, the so-called building block of the chemical industry that is used in making most of the major plastics materials, can be produced far more cheaply from ethane than from naphtha.

Whoever finally takes the lion's share of the new gas pipeline's ethane and other natural gas liquids, will have a considerable competitive advantage over its rivals in the plastics field.

In the longer term, the outlook for the European plastics industry, in general, and for British companies in particular, is far from bleak.



A complex plastic moulding being removed from an injection machine at BIP's Moulding Division at Sutton Coldfield, West Midlands, where BIP recently refitted its moulding shops. The division has more than 100 moulding machines and is one of Britain's largest trade moulding manufacturers.

EUROPEAN PLASTICS III



Night view of BP Chemicals' factory at Baglan Bay, near Swansea. The complex is one of Europe's largest manufacturing plants for plastics and specialises in making raw materials for PVC products.

Plastic beads for a warm evening in a cold winter

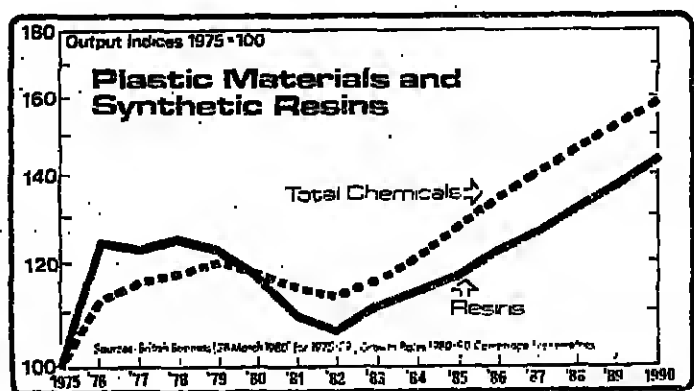
HOUSEHOLDERS preparing for a cosy evening at home on a cold winter's night could soon be able to press a lever that will inject thousands of tiny insulating beads between the skins of their double-glazed windows.

The aim of the beads, which are made of expandable polystyrene and can be blown back into cavity walls in the morning, is to retain warmth in a room and cut heating bills. The idea, which is already being tried in the U.S., is but one example of the developments that are taking place in the production and application of plastics materials.

The use of plastic beads to insulate windows may have a kind of novel charm but of far greater significance for the plastic industry is the work that has been done on linear low-density polyethylene (LLDPE). This new type of plastic material is something of a hybrid and appears to offer the advantages of both high-density polyethylene (HDPE) and those of ordinary low density polyethylene (LDPE).

Low pressure

HDPE has qualities of strength and thickness which ordinary LDPE lacks. But it is far more expensive to produce because it has to be made under great pressure, whereas ordinary LDPE is manufactured by a comparatively low pressure process. LLDPE, on the other hand, can be made with a cheap, low-pressure process but still has the strength and thickness of high-density material. Both the capital costs and the day-to-



day production costs of an LLDPE plant are substantially lower than for an HDPE unit. The leader in the development of LLDPE technology is probably the U.S.-based Union Carbide although other companies working on similar lines include the German-based BASF, U.S.-based Dow group and the U.S.-based Occidental. There is a possibility that the latter could build an LLDPE plant in the UK using as a raw material ethylene made from North Sea feedstocks.

Industry experts stress that the development of LLDPE will not lead to the abandonment of ordinary LDPE plants all over the world. Older LDPE processes are probably more reliable and construction times on plants are therefore shorter than with a unit involving new technology. It is therefore possible that some of the plastics plants that are being planned in Middle Eastern oil-producing countries will make

ordinary LDPE and not the new linear type.

Some senior chemical company executives say the new material could eventually take over some 10 to 15 per cent of the present plastic bag market, and they believe it will hit even harder at the paper sack business.

Another plastic material whose prospects are looking up is polybutylene, which has been called the "sleeping beauty" of the industry. It is not a new material as such—in fact it has been around for years. Up to now there have been difficulties in obtaining the butylene raw material from which it is made, but now it is thought that butylene may become more readily available—and therefore cheaper.

Butylene can apparently be produced comparatively easily as a fairly pure by-product of another chemical used for antiknock in petrol. Groups like Shell therefore believe that polybutylene could make a comeback and the company is thinking of developing the plastic as a specialty polymer.

Shell believes the plastics industry "needs some profitable specialities, not just more, huge commodity polymer plants." Polybutylene has some notable properties that could make it particularly useful as a material for making such things as industrial pipes.

It does not crack under stress, it retains its strength at high temperatures better than other materials, it is very resistant to abrasion and it does not suffer from what is known in the industry as "long creep." Long creep is akin to stretchability—an ordinary plastic nut that is tightened up will slowly loosen over a long period, for example. But a polybutylene nut should maintain its grip.

'Sandwiches'

In a rather different area, the plastics industry has started looking again at "sandwiches"—layers of material bonded together rather like laminates. Plastic and glass "sandwiches" are now being used to make such things as the drums in washing machines, for example. Their advantage over steel—their traditional material—is that they are lighter and can therefore give energy savings.

The possibility of making car bodies from two thin metal skins filled with plastic is currently being looked at too. This would make cars lighter—so saving on petrol—but at the same time the panels would be comparatively scratch-resistant in a way that pure plastic panels cannot be.

The difficulty here is that automotive manufacturers do not want to have to introduce expensive new equipment into their factories before they can take advantage of the new idea. The sandwich-style panels must be capable of being painted in the same way that metal car bodies are painted now, for example.

The appearance of a large customer can inevitably have a tremendous impact on sales of a new material or its use for a new application. Perhaps the most startling example is the case of PET (polyethylene terephthalate) bottles. PET is again an old product, but one

that has only recently been developed for use in the production of bottles.

Plastic bottles have been available for some time, usually made from polyvinyl chloride—PVC. But their drawback was that they could not be used to contain fizzy drinks. Either the gas escaped or, worse, the bottle exploded. The big advantage of making bottles from PET was that they could stand the pressures of carbonated liquids.

Because of this quality they were used as containers for coke. And such is the popularity of coke, that within about three months of their introduction PET bottles had virtually taken over the carbonated liquids bottle market.

As it happened, PET had originally been developed for use in textiles. The drop in fibres prices coincided with the use of PET for making bottles and, as a result, PET became cheaper and far more competitive with glass, the traditional material from which bottles are made.

The growth of PVC and PET in the bottles sector was held up—briefly—by the fact that plastic bottles were not returnable. But now these materials can be recycled and in countries such as France, where more plastic bottles are used than in the UK, bottle-banks have been set up.

Recycling

The industry admits that more work needs to be done on recycling. It says there is room for greater efficiency—not least in the collection of the used plastic bottles. It also says that recycled PVC, for example, has a more limited range of uses than newly-made material. It can be used to make plastic fence posts, rubbish bags or shoe soles. But once it has been recycled PVC is not suitable for food packaging because it is not clean enough.

Polyurethane is another plastic material that is being studied to see if now uses can be found for it. One possibility being considered is the production of moulded polyurethane tyres. The difficulty is that such tyres do not have sufficient grip. But the material could be used initially to make tractor tyres while research is carried out to see if it might be adapted and improved for use in car and truck tyres.

The present tyre industry is both dirty and highly labour intensive. If moulded plastic tyres do prove to be technically feasible then the industry could become more automated and so cut its costs.

On the production side of the plastics industry itself, a good deal of research is being done into catalysts. At present many catalysts do not have a particularly high rate of activity and, as a result, part of the catalyst is left in the finished product. Companies then have to spend considerable sums on catalyst removal so that their finished plastic materials are pure. Catalyst that is not absorbed during the production process also has to be thrown away—which is a waste.

What technical experts are now working on is high activity catalysts which will have little or no waste and which will only appear in minute quantities in the finished product—amounts so small that they can safely be left there.

It might be argued that the plastics industry has developed few really new products or processes in recent years. But this is to ignore the fact that the plastics sector is a mature one. The big, obvious discoveries have been made and research work today will inevitably be less dramatic.

Yet improvements in production methods and new applications for old materials are slowly and steadily being made and they can still have considerable impact on a company's sales and profits.

Sue Cameron

'Alkathene' low density polyethylene

'Corvic', 'Welvic' PVC

'Diakon' acrylic polymer

'Evatane' EVA copolymers

'Fluon' PTFE

'Maranyl' nylon

'Melinex' polyester film

'Perspex' acrylic sheet

'Propafilm' oriented polypropylene film

'Propathene' polypropylene

'Viclan' PVdC

'Vitrex' polyethersulphone

'Visqueen' polyethylene products



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EUROPEAN PLASTICS IV

Fears over cheap U.S. polymer products

THE TROUBLES of the European plastics industry during much this year have been exacerbated by the growing threat from cheap U.S. polymer exports to Europe.

Estimates of the percentage increases in cheap U.S. plastics exports to Europe in 1980 make frightening reading. If growth rates for the first six months of this year hold good for the second half of 1980—and there is no reason to think they will not—then, by December, European imports of low density polyethylene (LDPE) will have risen by no less than 250 per cent.

The projected figures for the other four bulk plastics materials are almost as grim. American exports to Europe of high density polyethylene (HDPE) are expected to increase by 36 per cent during 1980; those of polypropylene by 158 per cent; polyvinyl chloride (PVC) by 175 per cent; and polystyrene by 56 per cent.

Yet, the volume increases—huge though they are—do not tell the whole story. The actual tonnages of plastics coming across the Atlantic are still comparatively small—as American producers are quick to point out. In the first half of this year, only some 58,000 tonnes of LDPE came to Western Europe from the U.S., 26,000 tonnes of HDPE, 23,000 tonnes of polypropylene, 20,000 tonnes of PVC and 4,200 tonnes of polystyrene.

U.S. exports to Europe of PVC and polystyrene account for only about 1 per cent of the European market, despite the big rises in volume sales. The figure for HDPE, LDPE and polypropylene is slightly higher—between 3 per cent and 3.5 per cent. But the U.S. share of the European market would still seem to be too small for UK and Continental producers to worry about.

But European companies are deeply concerned about imports from the U.S. They admit that the tonnages coming into their market are tiny, but they insist that it is the price which is important—not the amounts. They stress that U.S. producers have an "unfair" cost advantage over European manufacturers because the American Government is holding down oil and gas prices to below world levels. As a result, U.S. exports are coming into Europe at remarkably low prices.

Dramatic slump

By the spring of this year, the European plastics industry was facing a dramatic slump in demand and, although a few producers tried to maintain discipline, plastics prices quickly started to fall as companies tried to maintain their volume sales. The appearance of cut price imports from America, it is claimed, did much to encourage this disastrous trend.

American plastics manufacturers have a number of advantages over their European counterparts—not all of them unfair ones. They make the greater part of their petrochemical and their plastics not from the oil-based naphtha as the Europeans do but from the gas ethane. Ethane is a more economic raw material for making plastics and petrochemicals than naphtha—even if gas and naphtha feedstock costs are exactly the same.

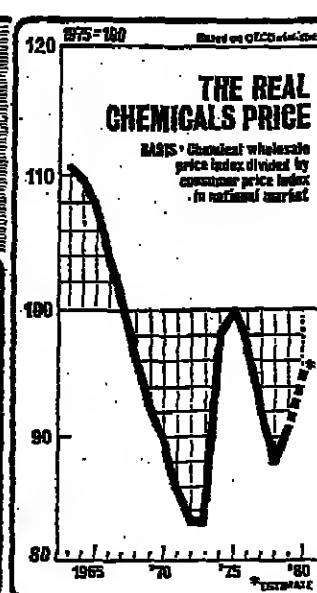
The U.S. producers also have an extremely large, homogeneous domestic market. This, too, helps them to be more efficient than many European companies. But European manufacturers estimate that around 33 per cent of the U.S. producers' plastics cost advantage is the direct result of artificially low gas raw material prices.



THERE are five major plastics materials: polystyrene, polypropylene, polyvinyl chloride (PVC), plus high and low density polyethylene—HDPE and LDPE. Some have been harder hit than others by the present dramatic downturn in the market, partly because their end uses vary. Estimates based on current plastics pricing and demand levels suggest that the European bulk polymer industry as a whole stands to lose at least £200m this year—and possibly twice that sum. Prices in August were around 15 per cent to 20 per cent lower than at the end of last year and in some cases they have fallen by nearer 30 per cent in the past nine months.

The U.S. is planning to decontrol all prices next year and gas prices by 1985. But European companies point out that they can do a great deal of damage in this side of the Atlantic, in the meantime. The impact of the general recession on the U.S. has forced American plastics producers to look to other markets. One is Europe. But the Americans have also increased their plastics exports to areas such as South America and the Pacific—the so-called "deep sea markets" where European companies have traditionally been strong.

Fears have been expressed that American plastics companies may find the deep sea and the European markets sufficiently rich a seam to justify building new plants dedicated to producing polymer for export to these areas. If this were to happen, the impact on European companies would be severe and long-lasting, rather than a temporary problem, which is what it appears to be at present. But a number of leading European producers claim that the Americans are "relatively unsophisticated exporters"—despite their efficiency and aggression in the market place.



The downturn in the plastics market is starting to show itself in reduced profits. BASF, one of the three major German-based chemical groups, reported an appreciable 5.5 per cent decline in its pre-tax profits for the second quarter of 1980. BASF reported that stiff international competition was holding product prices down particularly in such areas as basic petrochemicals and plastics. The industry in Europe feels that today's plastics prices need to be increased by between 20 per cent and 40 per cent to give producers reasonable profit margins.

The Europeans believe that once the domestic U.S. market starts to pick up again, American manufacturers will cut down on their exports. But such hopes provide only cold comfort for the European plastics industry today. American polymer is still coming into their market at prices they cannot hope to match without losing money. What is worse, the chances of action by the European Economic Community appear to be slim.

The chemical industry in Europe has repeatedly appealed to the European Commission to press its case against the "unfair advantage" enjoyed by American petrochemical producers, as a result of Government-controlled oil and gas prices. So far, the Commission has been persuaded to launch anti-dumping investigations against the U.S. over styrene and vinyl acetate—which is used to make polystyrene and PVC.

But it has turned a seemingly deaf ear to pleas from the European Council of Chemical Manufacturers' Federations that the U.S. should be asked to introduce some kind of neutralising levy to cancel out oil and gas feedstock advantage.

—"the rape element"—as the industry calls it.

The Commission appears to regard the chemical industry's plight as little more than a bargaining counter to be used in trade negotiations over European exports of steel.

The Association of Plastic Manufacturers in Europe (APME) is preparing to tackle the Commission on the question of cheap U.S. plastics exports. Mr. Tom Hutchinson, president of APME and chairman of the UK-based Imperial Chemical Industries' plastics division, says the polymer industry has so far been cautious about lodging a strong complaint for fear it might be accused of crying wolf. But he insists that U.S. exports to Europe have now become a "significant factor" for UK and Continental producers.

Given the Commission's record in dealing with the upstream petrochemical industry problems, it seems doubtful whether APME can expect much success.

Although the immediate threat posed by the U.S. to Europe's plastics industry comes from cut-price exports of bulk materials, in the longer term, exports of finished goods with some plastics content could prove to be a far more serious danger.

Shell has pointed out that the chemicals—and plastics—content of such items as shoes and boots can be very high. The oil and chemicals group has produced figures to show that in 1969 the European Economic Community exported 108m pairs of shoes and boots—but, by 1978, the Common Market countries were importing 45m pairs.

Admittedly, these imports did not all come from the U.S. East. But shoes, radio receivers

or cars made in Taiwan, Singapore or South Korea from U.S. produced polymers, and then exported to Europe, can still have a significant and erosive effect on the European plastics industry's sales.

Mr. Anthony Lewis, head of Shell International Chemical's economics and planning department, said last year, when fears of U.S. plastics exports to Europe were beginning to emerge: "The concern is that the day when demand and production capacity in Europe are in better balance will be delayed still further if the volume of imports of chemicals and plastics from the Common countries or the U.S. were to increase substantially in the 1980s—perhaps to the point at which Europe becomes a net importer of chemicals instead of a massive net exporter."

Serious threat

In the long term, I suggest that the more serious threat is that of an increase in imports into Europe—and into Europe's traditional export markets—of manufactured goods like cars and shoes and hi-fi equipment, rather than the import of chemicals as such into Europe. The chemical content of manufactured goods of this sort is very high."

The danger of further price cuts being forced on the European plastics industry as a result of cheap imports from the U.S. is a serious one. But even the pessimists believe it is likely to be short-lived. Imports of manufactured goods containing non-European made polymer, on the other hand, may ultimately present a far greater problem to European plastics materials producers and to their plastics processing customers.

Sue Cameron

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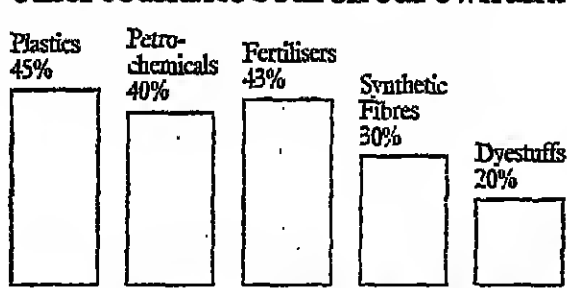
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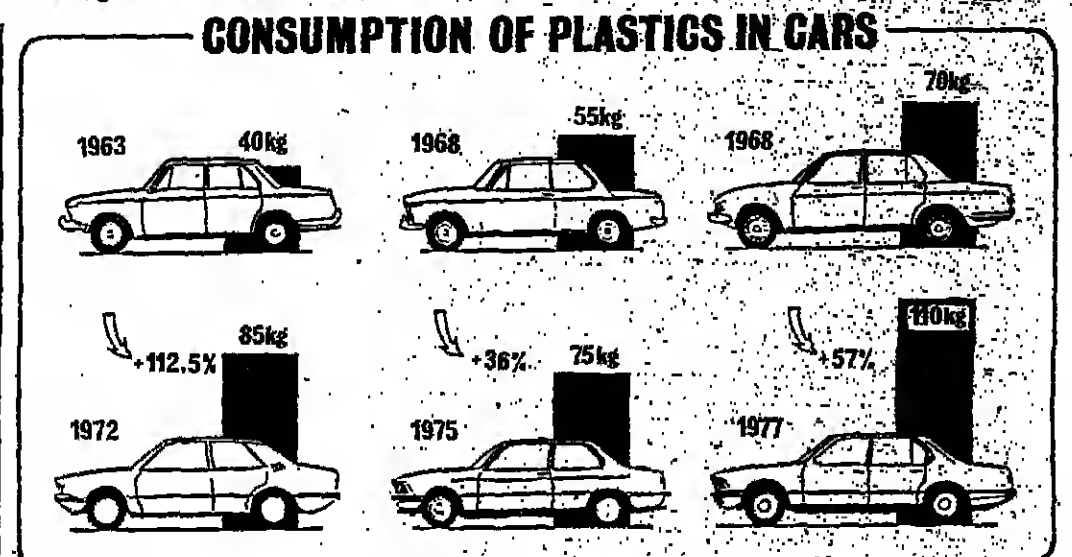
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Benefits of wider use of plastics in cars

THE WORLD oil crisis of 1979 has done much to boost the use of plastic materials in that symbol of 20th-century prosperity—the motor car.

The use of plastics instead of aluminium, steel or glass in car manufacture has been growing slowly but steadily during the past ten years. But the Italian revolution and the recognition of the need for greater energy-saving that followed it, have led to an ever-larger use of plastics in cars. The big advantages of plastic materials is that they can provide improved performance through, for example, reduced air resistance. They also lead to a saving on petrol consumption because they are lighter.

Plastics now account for up to 7 per cent of the weight of a typical European car and a number of companies have plans to increase this proportion to 10 per cent. The average actual weight of plastic in a modern car is probably around 70 kilograms.

With European car production running at some 12m units a year, the automotive industry uses about 0.84m tonnes of plastics a year. Plastics industry experts and car-producers believe this figure will double over the next 10 years.

Polyurethane

Plastics today are used in nearly all sections of a car and the average vehicle has between 800 and 1,000 separate plastic components, ranging from tiny instrument bearings in bumpers. But the area where plastic materials are most used is in the car's interior.

All the main plastic materials are used in car production. The leading materials are polyurethane, which normally accounts for around 30 per cent of the total plastic used in a vehicle, and polyvinyl chloride—PVC—which accounts for about 26 per cent.

Increasing interest is being shown today in the use of high density polyethylene—HDPE—for making fuel tanks, which have traditionally been made of steel. Plastic fuel tanks not only save weight—and therefore petrol consumption—but they can also make the best use of the available space. This is becoming ever more important as cars are designed in a more compact way.

Plastic fuel tanks have been

fitted in European cars since the start of the 1970s but there is still some development work to be done on them before they come into general use. One problem is that safety tests for fuel tanks have often been designed for steel. Plastic tanks may not necessarily be less safe—but sometimes they cannot, by virtue of their different qualities, meet steel tank tests.

The growing use of electronics in cars is expected to create more applications for plastics, in the form of housings, circuit boards and insulation materials. The need for more energy efficient cars—and more energy efficient production processes—is opening up considerable opportunities for European plastics producers.

But there are some drawbacks to the use of polymers. One is the problem of recycling plastics. At present about 70 per cent of a car can be recycled but the possibility of recycling plastic parts is still extremely limited and, sometimes, it cannot be done at all.

Some of the other difficulties associated with the use of plastics in cars were outlined earlier this summer in a paper given to the Association of Plastic Manufacturers in Europe by Dr. Karlheinz Rademacher, director of BMW. Dr. Rademacher said one problem was the fluctuating cost of plastic materials, which were ultimately dependent on oil and gas prices.

"The advantages of plastics in energy economy and weight are often negated by greater expense," he said. "The unpredictability of the price escalation of mineral oil, upon which about 80 per cent of chemical production is dependent, handicaps the choice of a plastics item with a considerable economic risk."

"This is especially the case for the external body panels, for which the quantity of plastics used would be impressive, since their production would require an extensive and almost irreversible change of the manufacturing equipment."

Dr. Rademacher went on to list a number of "request and requirements of the car industry upon the plastics industry". These included:

- Moderate costs which compared favourably with alternative materials and took into account the costs of developing

producing and maintaining vehicles;

- Long-term security of supplies, obtained partly by extensive research to exploit alternative raw materials for plastics production;
- Better recycling;
- Greater co-operation between plastics producers, car manufacturers and consumers over the development of plastics parts, tools and equipment;
- The provision of comprehensive, standardised and practical data for the use of plastics;
- Continued research and development into plastics materials for use in cars.

Dr. Rademacher added a final plea for plastics producers to "assist with the creation of an image for plastics which does not depict it as a cheap and poor substitute for traditional materials but rather as an indispensable and valuable material in its own right."

Polypropylene

Despite some problems which have still to be overcome, the use of polypropylene for making bumpers, dashboards and door panels, or polyurethane for making seat cushions, steering wheel pads, head rests and ceiling padding, and of PVC for making upholstery, exterior vinyl roofings and for electrical insulation are among many other uses clearly set to increase.

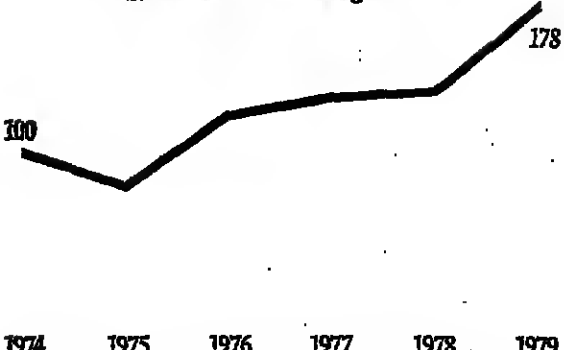
Industry experts estimate that every kilogram of plastic which replaces traditional materials in car manufacture leads to a net direct saving of at least one kilogram of car weight. By the same token, if the fuel consumption of the average car were reduced by just 1 per cent, by whatever means, but less weight is an obvious way—the European Economic Community could save over 0.2m tonnes of oil a year.

Given the increase in petrol prices—and the all-compulsory decision to cut pump-prices by a few pence this summer—it is likely to make a difference to the general upward trend in the kind of savings that will appeal to motorists, car manufacturers and governments. It will also make a substantial improvement in the prospects of plastics manufacturers.

Sue Cameron

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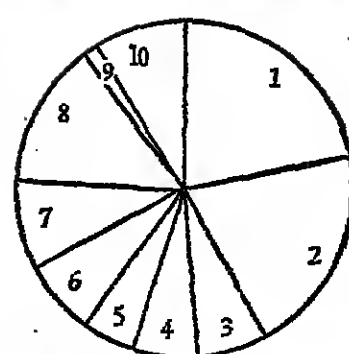
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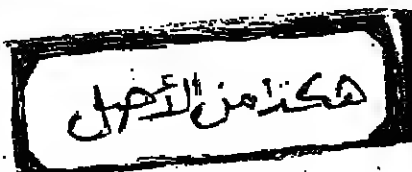
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*Fortune August 11th 1980.



MONTEDISON



Falling demand and higher costs hit packaging industry

THE EUROPEAN packaging film and plastic bag industry is in the midst of a period of rationalisation. During the past 12 months manufacturers have come under pressure first from rising costs and now from a slump in demand for its products caused by the deepening recession.

Nevertheless, the industry is still expected to make further inroads into those areas of packaging held by producers of the more traditional materials such as paper and board.

The fall in demand, blamed by the plastic packaging manufacturers mainly on wholesale and retail destocking, has already resulted in a reduction in the prices for a number of polyethylene film products. In turn, this has created a further squeeze on profit margins throughout the industry.

Polyethylene film makers normally expect turnover to build up steadily from the end of the summer as retailers prepare for Christmas. Last year the upsurge in orders failed to materialise and so far this year there has been no compensating rise in sales.

The industry's problems have

been compounded because the fall in consumer demand coincided, earlier this year, with dramatic increases in raw material costs.

Plastic bags, carrier bags, plastic sacks and shrinkfilm are made either from low-density polyethylene (LDPE) or high-density polyethylene (HDPE). Both materials are produced by major chemical companies from naphtha—an oil-based feed stock. The chemicals companies in turn buy their naphtha supplied directly from the oil companies, or on the spot market.

Spot market

At the beginning of the year the price of naphtha—riding on the back of oil prices—soared to an unprecedented \$400 a tonne on the Rotterdam spot-market. The spot-market price had effectively doubled since January, 1979 and the contract price had tagged along only a short way behind.

The major European chemical companies such as Imperial Chemical Industries (ICI) and Shell Chemicals UK, having suffered from over capacity and weak prices for years in their

plastic materials divisions, seized upon the opportunity to push up product prices and thereby improve profit margins.

The manufacturers of plastic bags and film estimate that LDPE and HDPE granules account for about 60 per cent of their costs. They were therefore hit hard when LDPE granules increased from about £260 a tonne in 1978 to £600 a tonne earlier this year.

The combination of higher raw material prices and weak demand, together with other factors, has already led to some reorganisation, short-term working and job-losses, particularly in the UK where the industry is fragmented.

Aside from closures among some of the small companies which characterise the industry, there are signs that some of the major British plastic packaging groups have also had to cut back on production and manning levels. For example, in November, ICI announced a two-year reorganisation of its polyethylene film business involving the closure of its plant at Stevenage in Hertfordshire. No enforced redundancies are planned.

Under a phased closure all film manufacturing is to be transferred to ICI's other production site at Stockton-on-Tees in Durham. ICI said the closure of the Stevenage plant was necessary to reduce operating costs. The group's polyethylene film division, which accounts for about 7 per cent of ICI's UK plastics business, makes shrink-wrapping film, pallet-wrapping film and items such as heavy duty plastic sacks.

Weak prices

In February HJB Plastics, part of the Courtauld group, announced plans to cut production and halve the workforce, saving 128 jobs at its Leicester plant. The factory makes printed and unprinted plastic bags and packaging film. The company blamed its decision on rising costs, weak prices, strong competition from cheap imports and a fall in demand.

Since then, the fall in demand for polyethylene film products and plastic bags has continued. Some chemical companies are now suggesting that demand for LDPE in Europe has fallen by as much as 30 per cent since the

beginning of the year. As a result, product prices have also begun to fall. The recession and the fall in the demand for petrochemicals, throughout Europe are partly responsible for the general surplus of oil products, including naphtha. The average contract price for naphtha has now fallen to under \$330 a tonne, and spot market prices to around \$260 or \$270 a tonne.

Both the oil and the petrochemicals companies are pleased and surprised that the naphtha contract price has not fallen faster. The petrochemical producers are anxious to keep the price firm because too sharp a fall could bring pressure from customers for further reductions in the price of products made from it, such as LDPE. The price of LDPE has in fact fallen by around 10 per cent during the last couple of months. However, some companies, such as BXL Plastics, a subsidiary of BP Chemicals, believe the reduction in LDPE resin prices is only temporary.

The company claims, through its flexible packaging division, to be one of the largest UK manufacturers of polyethylene film and the market leader for polyethylene shrink film. It manufactures its own LDPE at Grangemouth in Scotland. The Grangemouth plant now has a capacity of 100,000 tonnes a year.

BXL, bought by BP Chemicals in 1978 from the U.S.-based Union Carbide, announced plans for a new £11m LDPE film plant at Bromborough in the Wirral earlier this year. The new plant, which is expected to be completed next year, will employ 150 people and have a capacity of 20,000 tonnes. It will replace the company's 15,000 tonne capacity plant at Liverpool which has proved unsuitable for expansion.

The company, in pressing ahead with its expansion plans, is clearly confident of the longer-term future for polyethylene film products. In the short term, however, the downturn in demand in the highly competitive film market has forced substantial reductions in the price of a number of film products.

Competition within the LDPE film market has always been keen and has intensified as demand has fallen away. This is in part because many com-

panies in the fragmented industry have chosen to respond to the fall in demand by keeping their own prices down to maintain sales volume.

Within the European industry, UK producers face particular problems which have been worsened by the strength of sterling. UK producers have also tended to manufacture a wide range of goods, while on the Continent, many plastics packaging companies have specialised to far greater degree. This has sometimes enabled them to invest in more modern technology than their UK counterparts. Streamlining of their operations to make them more efficient has also helped them keep prices down.

Competition for LDPE film has also come from traditional materials such as paper and from other plastic materials, particularly high-density polyethylene film. HDPE costs more per tonne than LDPE and its use in packaging is limited because it is not transparent. But it is the stronger material.

Rubbish sacks

This means that far more plastic bags can be made from a tonne of HDPE than from a tonne of LDPE. Although the industry has always relied upon LDPE as a raw material, because of its comparative cheapness and transparency, HDPE has become more attractive for goods such as carrier bags or rubbish sacks where transparency is not necessary. In addition, technological advances are making HDPE more attractive.

BXL Plastics claimed a major breakthrough in the use of HDPE earlier this year when it unveiled a formed high-density polyethylene film called Aero-wrap. Because the new material is foamed, it is thicker and stiffer than normal HDPE film of the same weight and it can be folded in a way similar to paper.

The company sees the material, in a perforated form, as suitable for certain roll-in-the-bag applications. In aerated form it could be useful for packing products such as fresh vegetables which need to "breathe". When unperforated, it could serve as an alternative to expensive glassine, tissue paper and vegetable parchment

papers for packaging edible fats.

However, companies using LDPE cannot simply switch to HDPE because it requires a completely different technology. Another danger in this area for the UK plastics packaging industry is that at present, UK producers of HDPE cannot meet the domestic demand.

Competition from traditional materials, such as paper, remains an ever-present threat to the plastics packaging industry—even though plastics have made increasing inroads into traditional "bag" territory and now account for more than 75

per cent of the plastic carrier bag market in food retailing—and a higher proportion elsewhere.

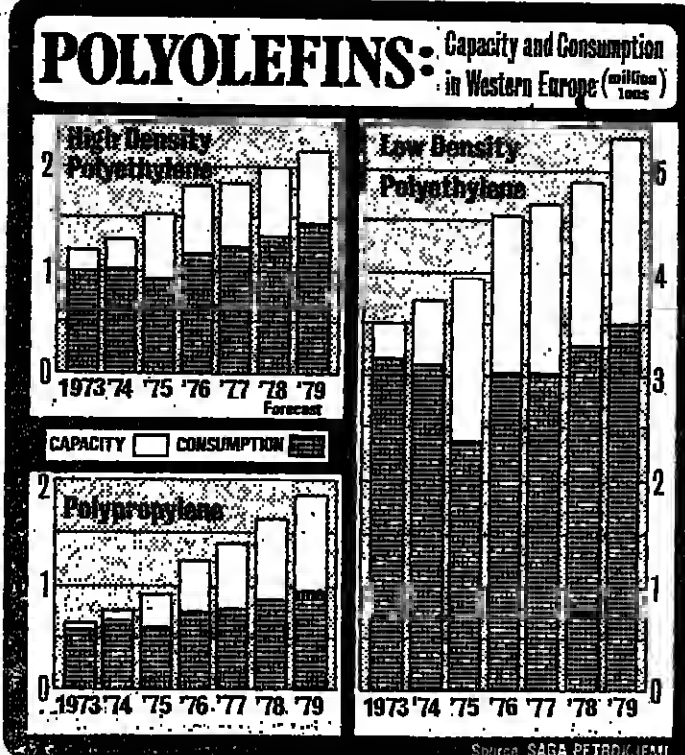
At a time of squeezed margins, packaging costs come under particular scrutiny. But figures suggest that although the annual rate of inflation in plastics packaging has been high, perhaps reaching 22 per cent in 1979, the rate of increase for paper bags was even higher.

Aside from the cost factor, the other potential threat to the plastics packaging industry is posed by the environmental lobby should it succeed in its

campaign for less packaging and more re-cycling of waste. But packaging surveys, such as the latest from Shell International Chemicals published earlier this year, suggest that plastics packaging will continue to grow during the 1980s at the expense of other materials.

If prospects look gloomy for the polyethylene film manufacturers in the short term, those that emerge from the recession may well find themselves in a stronger market position facing a growing market.

Paul Taylor



Producers scramble for gas feedstocks

GREAT EMPHASIS has often been placed on the regional divisions between North and South—by Disraeli in the nineteenth century and by the former German Chancellor Herr Brandt in the twentieth. Today it seems likely that Europe's plastics producers may split along similar lines.

At present, signs are that European plastics companies, wherever they are based, are just beginning to emerge from an exceedingly rough period. They have felt the full force of overcapacity—and prices, aided by the general economic downturn and by an influx of cheap plastics imports from the U.S., have dropped to alarmingly low levels.

Some concerns are still stung by the depth and suddenness of this slump, while others are taking an optimistic view, and counting on the underlying growth forecast for the major commodity polymers. But in the longer term there is no reason to believe that the future will be brighter for those in the far North—Scandinavia, the Netherlands and the UK—and for those southern countries that are close to the oil-producing states of North Africa and the Middle East.

The reason is simply that the availability and cost of efficient feedstocks is likely to make an ever more important difference to the competitiveness of plastics manufacturers.

Naphtha shortage

Until now, the greater part of Western Europe's plastics materials—in terms of tonnage—has been made from the oil-based feedstock, naphtha. But the Iranian revolution of last year and the ensuing shortage—and fear of shortage—of crude and of naphtha has led to a fairly radical rethink about raw materials. The plastics industry recognised with a jolt that supplies and raw material prices were neither as secure nor as stable as it had thought. Most of the major oil companies, many of them with chemicals and plastics subsidiaries, are losing their power over supplies of crude and naphtha on a worldwide basis.

What many of the major plastics producers in Europe are now trying to do as a result is to obtain access to cheap and relatively secure supplies of feedstock. The plight of the European companies has perhaps been thrown into relief by the flow of cheap U.S. plastics exports across the Atlantic. One reason why the American product is so cheap is that the U.S. Government is keeping oil and gas prices below world levels. But even the most militant of the European companies admits that this only accounts for some 15 per cent of the Americans' total cost advantage.

A large part of the rest of the U.S. producers' advantage derives from their use of the gas ethane—as opposed to the oil-based naphtha—as a raw material. Ethane—regardless of whether or not its price is controlled—is a more economic feedstock for plastics materials than naphtha.

This is one reason for the somewhat undignified scramble for ethane supplies which has been taking place in the UK over the past three or four months. Concerns such as Shell Chemicals UK, Esso Chemical, Imperial Chemical Industries, BP Chemicals, the U.S.-based Dow group and the U.S.-based Occidental company have all realised that by the end of the 1980s, modern plastics plants, based ultimately on supplies of natural gas liquids—NGLs—as raw materials could give their owners a dramatic lead in the market-place.

The use of NGLs such as ethane, propane and butane to make plastics could revolutionise Europe's plastics industry. This is because products from NGL-based plants are likely to be so much cheaper than that from units using naphtha-based raw materials that existing overcapacity in Europe's plastics industry will cease to be important, at least for the lucky ones.

It will not matter whether the market grows sufficiently to use up present plastics production overcapacity. Polymers from new, NGL-based plants are always likely to have the edge in terms of price in the market-place. Many older units, unless given special state subsidies, could become also-rans.

The southern countries of Europe will have some advantage over their mid-Continental competitors because of their proximity to the oil and gas producing states on the other side of the Mediterranean. But the companies with the best prospects are likely to be those which acquire access to North Sea gas feedstocks.

One example of the way the wind of change is blowing is the U.S.-based Dow group. Dow wants to build an ethylene plant at Nigg, on the Cromarty Firth in Scotland, using North Sea ethane and other natural gas liquids as feedstock. Once the ethylene plant—ethylene is the so-called building block of the petrochemical industry—was built, downstream plants such as high or low density polyethylene plastics units, would be added.

Dow's plans brought a late but fairly violent reaction from BP, Shell, Esso and ICI. These companies have now announced that they want to take the NGLs expected to be brought ashore via the planned new North Sea gas gathering system to their own plants at Grangemouth, Mossburn and Wiltan. But there are not enough NGLs for

both the Dow project and the other companies' plans to go ahead simultaneously.

The "Gang of Four" put out a good deal of propaganda about North Sea oil and gas being used for the benefit of British companies; it is perhaps worth noting that Esso Chemical, a subsidiary of the U.S.-based Exxon group, did not take too prominent a part in the general arguments. What the four had clearly realised was that Dow would have an unbeatable advantage over them if it were allowed to take a large tranche of the NGLs coming from the new North Sea pipeline.

Dow had realised—rather earlier—that it was an extremely exposed position. The company has always been known—and cordially disliked within the chemical industry—for the way it has played the raw material market, buying cheap

naphtha on the Rotterdam spot market and making and selling plastics and other chemicals at highly competitive prices. The dramatic rises that took place in the naphtha price last year, following the world oil crisis, made Dow decide that it had better obtain firm supplies of basic raw material.

Raw materials

One noteworthy factor about the current jostling for position in the queue for North Sea NGLs is that Dow is probably prepared to pay a comparatively high price for its ethane, propane and butane. It can afford to do so, knowing that even if the North Sea NGL price is high, it will still be able to produce plastics and other chemicals far more cheaply—and at a lower capital cost—than its competitors using traditional plants and

traditional raw materials. An ethane-based ethylene plant is already going to be built at Mossburn in Scotland by Shell and Esso jointly. The newly-built BP Chemicals/ICI ethylene plant at Wiltan on Teesside is also capable of using up to 50 per cent NGL raw materials.

But the haggling over access to NGLs from the new North Sea gas gathering system is perhaps proof that one of the few ways in which companies in a mature industry can improve their competitive position is by using better, more efficient feedstocks. The pay-off comes in terms of capital costs, production costs, product prices and the ability to stay comparatively aloof from the adverse effects of overcapacity in European plastics production.

S.C.

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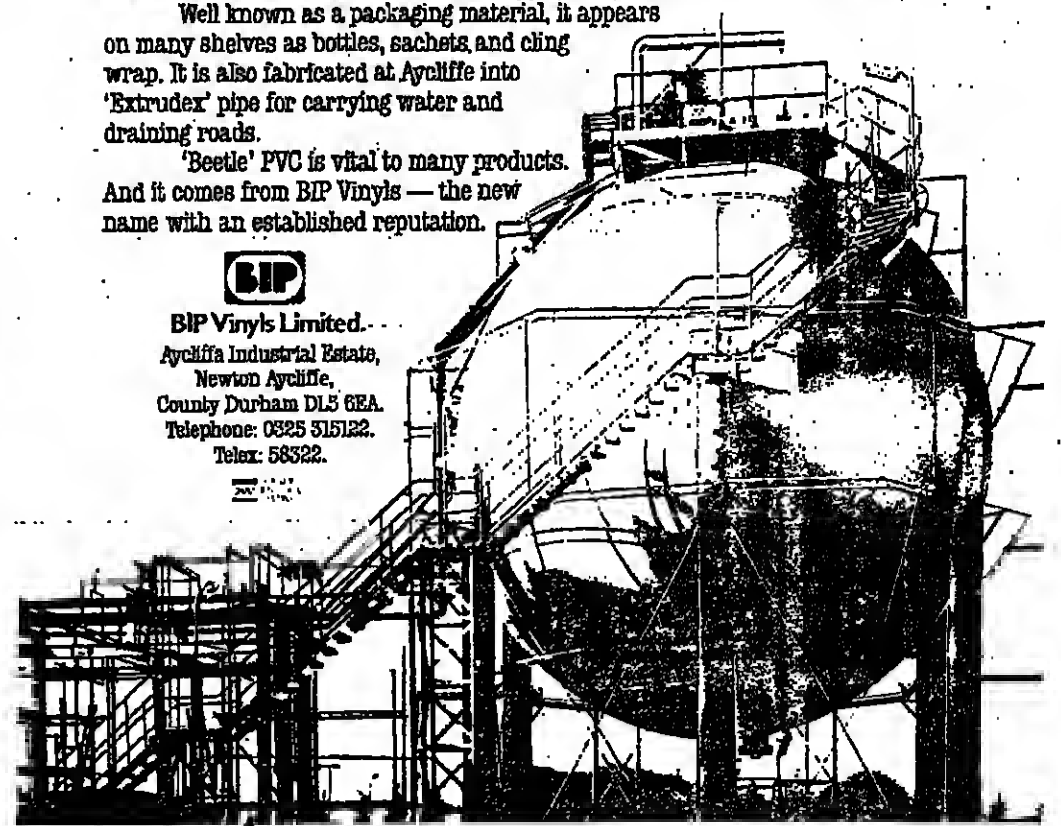
It helps speed communications, being widely used in electrical wiring insulation in telephone exchanges, cars, and in the home.

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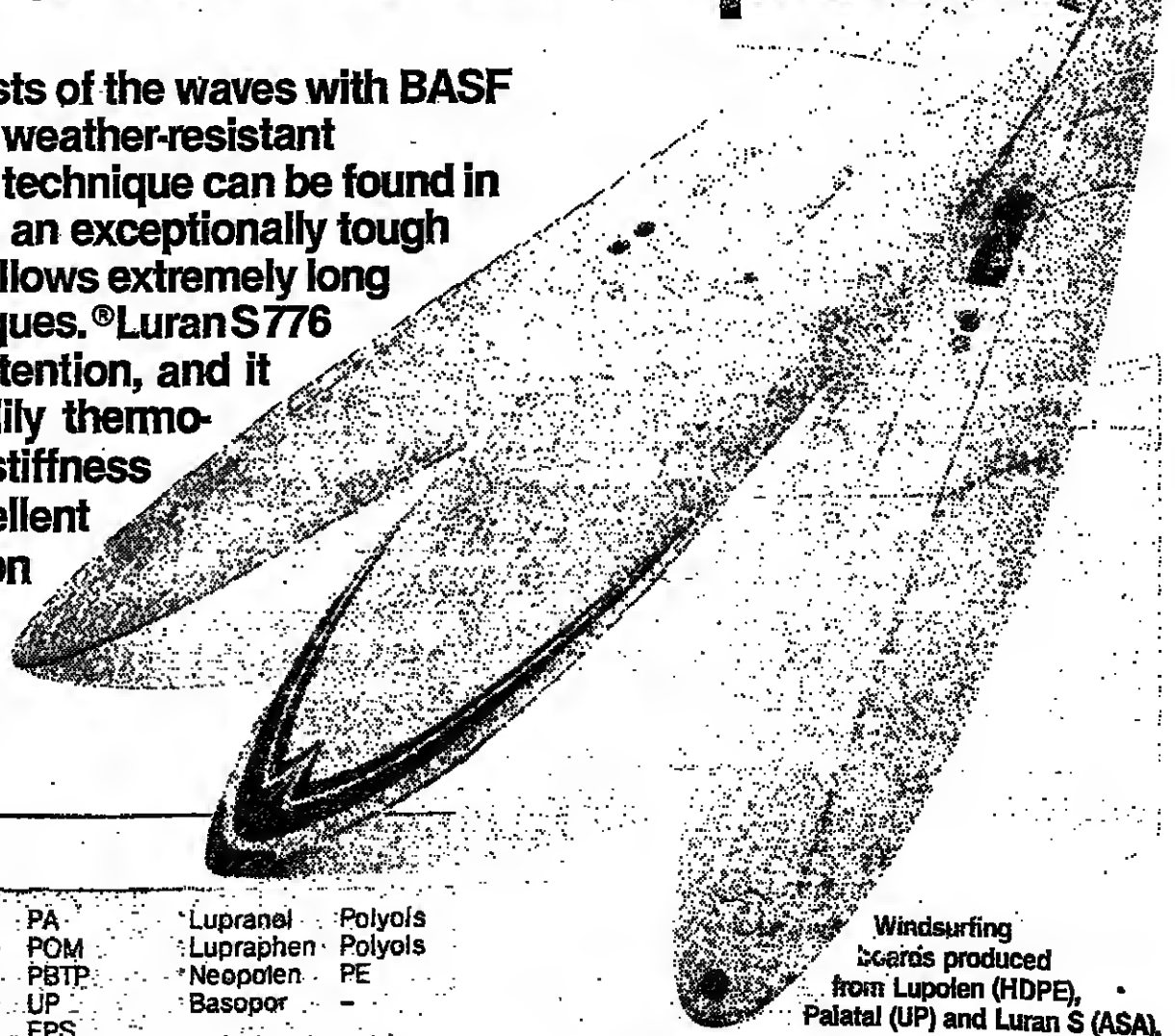
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Companies and Markets

COMMODITIES AND AGRICULTURE

Jute cartel urged

JUTE PRODUCERS yesterday were urged by Bangladesh's Agriculture Minister to unite and "be dictators rather than dictated to." Jute producing countries, faced with a slump in world demand, began discussions in Darca of a proposal to form an international organisation to regulate the jute market along the lines of the Organisation of Petroleum Exporting Countries.

Bangladesh's Agriculture Minister, Major-General Nurul Islam, told the opening session of the three-day conference that the jute market was depressed because industrialised countries dictated the price of raw materials.

The price of jute, which is used to make sacks, had been stable for 10 years while other commodity prices had gone up considerably.

The conference, sponsored by the Rome-based Food and Agriculture Organisation (FAO), included Bangladesh, Burma, India, Nepal, Brazil and Thailand. The only main producer not attending is China.

Bangladesh, which proposed the creation of an Organisation of Jute Exporting Countries, depends on the commodity for 70 per cent of its foreign exchange earnings.

Reuter

Coffee prices fall as agreement hopes fade

BY OUR COMMODITIES STAFF

LONDON COFFEE futures prices dropped to four-year lows yesterday as delegates to the International Coffee Organisation meeting continued their discussions with hope of agreement beginning to fade.

November rubustas fell at one stage to £1,040 a tonne, before rallying to close at £1,047, a fall of £26.5 a tonne on Tuesday's close and almost £700 below the contract high set last year when an early, end-May frost hit Brazil's crop. Coffee prices had crossed the £1,000 a tonne mark in the first week of April, 1976.

The uncertainty over the ICO meeting was not the only factor depressing prices. Dealers said the weakness mainly reflected the availability of coffee.

But at the ICO meeting the hope of an agreement on export quotas seemed dim. If there is no agreement, then producers will need to sell coffee for

foreign exchange. The market doubts whether the Pancafé producers can stage the kind of price operation that could lift prices to over the £1,200 a tonne mark.

A whole crop of problems was boding up the ICO talks, among them the size of the quota and each exporting country's share of it, the price range on which quotas would be based, the starting date and difficulties of some governments in implementing the necessary customs procedures.

The producers have proposed a price range for operating export quotas of between 135c and 184c a pound, with a midpoint of 180c: they suggest that the starting date for controls should be October 1.

But in the discussions between the consumers, the U.S. has been talking of a figure of a dollar, though this is lower than other consumers would be prepared to accept. However, the

consumers have been waiting for the producing countries to come up with detailed proposals on quotas, including the agreed size of each producer's quota.

One problem is that each producer has been trying to get as large a share as possible.

The U.S. is also insisting that if there is to be an agreement, then Pancafé must be liquidated, so that prices are not manipulated by the Latin American producers group.

Another large question is whether the U.S. would be able to pass the enabling legislation for implementing controls during the presidential election campaign.

The likelihood of increasing world coffee production following the continued recovery in Brazil and the inability of Pancafé to prevent prices from falling is putting pressure on the producing countries to try to reach agreement in spite of their squabbles.

More zinc producers raise prices

By John Edwards, Commodities Editor

THREE more leading zinc producers yesterday raised their official European price from \$780 to \$845 a tonne. They are Noranda and Hudson Bay of Canada, and Electrolytic Zinc of Australia.

This is in line with the rise to \$845, started by Cominco on Monday, but contrasts with the move only \$805 by A.M.S. Europe, the Australian-based U.K. smelter.

The moves by Noranda and Electrolytic Zinc suggests that producers have now decided the market is strong enough to go for the higher price increase. But there are still considerable doubts whether European smelters, not connected with mines, will be prepared to follow the higher price rise.

Demand for zinc in Europe remains rather sluggish and the smelter might be put in a difficult position by having to pay a higher price for their concentrates which they find impossible to pass on to their customers.

Zinc values held steady on the London Metal Exchange yesterday moving in a narrow range. Italian zinc producer Pertusella warned yesterday it may be forced to suspend production at its 90,000 tonnes-a-year Calabria smelter.

Other base metals were also subdued in surprisingly quiet trading conditions after the excitement of the previous two days. Unimpressed by the Iran-Iraq conflict, copper cash wirebars fell by 25 to \$287 a tonne and cash lead lost \$15.6 to \$267 a tonne.

Cash tin, however, rallied by \$85 to \$7,240 a tonne.

The bullion market spot quotation for silver was 10.5p up at 97.8p a Troy ounce. Values low ground in later trading and the LME cash price closed at 944p a try ounce.

Soviet grain import shortfall warning

BY LESLIE COLTIT IN BERLIN

THE SOVIET UNION will have "far greater difficulty" next year making up an expected grain deficit of some 25 to 30 million tonnes than it had this year because of the U.S. grain embargo, according to one of Western Europe's largest grain traders, Alfred C. Toepfer of International of Hamburg.

Toepfer, which supplies grain to several Comcon countries, notes that with a "realistic" estimated Soviet harvest of 200m to 210m tonnes of grain, Moscow will have to import up to 30m tonnes as its reserves from the record 1978 harvest of 237m tonnes will have been largely used up following the poor results of last year with 178m tonnes.

The current problems arising in the Soviet harvest because of heavy rains have led to serious delays in the planting of winter wheat for harvest next year.

The company says in an analysis of supplies available to Moscow starting next month that the United States will deliver 8m tonnes of grain under its minimum supply agreement with the Soviet Union of which Moscow has already contracted for 4.4m tonnes.

Argentina it says will sell 5m tonnes of grain to Moscow and 4m tonnes to Australia, while Canada has a framework agreement to deliver 2m tonnes to the Soviet Union. Toepfer estimates the Scandinavian and Balkan countries could deliver about 1.5m tonnes.

The position of the European Community is "open," it says, but believes that because of the U.S. embargo it will hardly deliver more than the "normal" amount of a "few hundred thousand tonnes."

The Toepfer report says the current "tight supply" situation on the world grain market, with especially high prices for animal fodder is the result of an estimated 17 per cent lower grain fodder crop in the U.S. It says also that the expected poor Soviet harvest is influencing the market along with the continued extension of the U.S. price support system.

The West German analysis says the U.S. Administration has "learned a great deal" from the EEC in Brussels in its increasingly perfectionist and complicated loan system which is "in every way" comparable to the EEC's intervention system.

Drought hits Australian wheat

BY PATRICIA NEWBY IN CANBERRA

CONTINUING DROUGHT in western and eastern Australia has caused the Australian Wheat Board to reduce drastically its estimate of the 1980-81 Australian wheat harvest.

Sir Leslie Price, chairman of the Australian Wheat Board, said yesterday that the Board now estimated the Australian harvest at 11.5m tonnes compared with previous estimates of between 13.4m and 17m tonnes.

Sir Leslie said about 10m tonnes would be available for export, compared with last year's record exports of 15.2m tonnes.

Many wheatgrowers delayed autumn planting of crops because of drought, but the failure of spring rain has resulted in a significantly smaller crop than expected.

Mr. Bob McCarthy, the wheat Board's spokesman, said continued high prices for wheat would mitigate to some extent the loss to farmers but that many would be "bitterly disappointed."

U.S. Bill to curb foreign fishing

BY NANCY DUNNE IN WASHINGTON

THE U.S. will phase out foreign fishing operations in its 200-mile offshore zone, if a bill passed by the House of Representatives is approved this term in the Senate.

The legislation, called the American Fisheries Promotion Act, laden with provisions to delight U.S. fishermen in an election year, aims to revitalise the industry with an expanded loan programme and to accelerate efforts to promote fish exports. It would also make fishing in U.S. waters more expensive for foreigners.

Under its provisions, foreign fishermen would be required to cut back their catch, on a species-by-species basis, if the American fishermen demonstrate an ability to absorb a larger share of the harvest in the previous season.

A measure to ban all foreign fishing from U.S. waters by 1990 was withdrawn only after Congressmen heard strong objections from the State Department and warnings that retaliation towards U.S. exports could be expected.

The Bill would also boost fees for permits issued to foreigners and would dramatically increase the use of American observers on foreign ships.

The legislation also requires that when the State and Commerce departments set their yearly allocations for foreign fishermen they consider the country's marketing restrictions on U.S. products and the country's past co-operation with American observers.

The Bill could most affect the Japanese fishermen who accounted for nearly three-quarters of the foreign catch

Bonn seeks cutprice EEC butter sales

BY OUR COMMODITIES EDITOR

BONN—West German agriculture minister Josef Ertl has proposed that sales to EEC consumers of cutprice butter from Community stocks should be renewed later this year.

He appealed in a letter to Finn Gundelach, EEC Agriculture Commissioner for such a proposal to be put before the EEC Ministerial Council urgently to produce a decision by November.

Herr Ertl was quoted as saying "we must solve our butter surplus problems through balanced policy of exports to non-EEC countries and price cuts benefiting our own people."

Herr Ertl noted that large quantities of EEC butter from stocks have been exported to countries outside the Community in recent months, but that only certain EEC states have taken steps to boost domestic butter sales.

Reuter

Oilseed output fall forecast

BY OUR COMMODITIES EDITOR

WASHINGTON—World production of oilseeds and related material during the 1980-81 year is forecast at 164.3m tonnes, down 2.5m from the August forecast and 12.4m below the record output in 1979-80, the U.S. Agriculture Department said.

Most of the reduction results from smaller output in the U.S.,

down 2.0m tonnes from last month, while foreign oilseed output was reduced by 0.5m tonnes.

The USDA said declines in specific world oilseed output from last year's levels include soybeans—down 1.0m tonnes, sunflower seed—down 1.2m tonnes, cottonseed—down 0.6m, and rapeseed—down 0.4m.

Reuter report that the Thai Foreign Trade Department had instructed sugar exporters to postpone shipments of contracts for delivery overseas next year. No further details were given for the postponement, but it is believed to affect over 250,000 tonnes of raw sugar.

Meanwhile it was confirmed in Washington by the U.S. Department of Agriculture that the Soviet Union had bought 8,000 tonnes from a U.S. refiner. However this was described as a "one-shot deal" and it was claimed the Russians might well be reluctant to buy more at present price levels.

The Ministry of Agriculture announced yesterday that an arbitrator had been appointed to break the deadlock between the British Sugar Corporation and the National Farmers Union on the terms and conditions for the 1981 home-grown beet crop. He is Professor Dennis Britton on Wye College, University of London. This follows the procedure laid down under the European Communities Act 1972 that in the event of failure to agree someone is appointed to determine prices, terms and conditions of the annually negotiated contracts. This is the first time the two sides have failed to reach agreement although negotiations have been strained in the past few years.

Brazil cuts cocoa bean tax

BY NANCY DUNNE IN WASHINGTON

BRAZIL yesterday cut the 8 per cent export tax on cocoa beans, the Bahia State government office has told Reuters.

The news sparked off speculation in London, with a loss of £21 to £10,610 on the December position.

No formal decision has been taken yet on whether the Ivory Coast will stockpile part of its 1980-81 cocoa crop.

PRICE CHANGES

In tonnes unless otherwise stated.

Oct. 53.90, Dec. 53.40.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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Companies and Markets

LONDON STOCK EXCHANGE

Investment activity inhibited by Iraq/Iran situation

South African Golds succumb to further profit-taking

Account Dealing Dates
Option
First Declara- Last Account
Dealing Date Dealing Date
Sept. 15 Sept. 26 Oct. 6
Sept. 28 Oct. 9 Oct. 20
Oct. 13 Oct. 23 Oct. 30 Nov. 3

The Middle East conflict continued to dominate London stock markets yesterday, inhibiting investment activity with the notable exception of South African Golds and UK Oils. In the absence of any further rise in the oil price, speculative profit-taking soon developed in Golds and early firmness evaporated. The decline gathered pace later and widespread losses extending to four points appeared among heavyweight issues although these were reduced towards the close. The tone remained uncertain, however, as the FT Gold Mines index fell 25.8 more for a two-day loss of nearly 40 points at 517.0; on Monday, this measure had leapt over 54 points.

Unconfirmed reports that Iraq had stopped oil shipments aroused a certain amount of interest in Oils, but enthusiasm waned and the sector turned irregular. Some ended higher on business and general optimism generally on the more speculative stocks. Remaining equity sectors were again burdened by the troubles of UK industry and leading shares resumed easier at the outset, a trend partially influenced by Wall Street's overnight dullness.

Professional bear-covering brought monetary relief but in the afternoon most leading industrial drifted a penny or so cheaper, more on the dearth of business and general tedium than because of any selling pressure. Measuring the early easiness, the

FT Industrial Ordinary share index registered a fall of 2.6 at 10 am; an hour later the fall was reduced to 0.9 but was extended to 1.8 at the close of 493.3. Over the past five trading sessions, the index has fallen by 17.5.

The current strength of sterling drew some support for Government securities and, with sellers reticent, the market was limited headway in this trading. When the demand was satisfied, however, quotations drifted back and closing improvements were generally restricted to 1, after 4 in places. Small selling of partly paid Treasury 11 1/2 per cent 1991 A was absorbed and the price hardened to 46 1/2 ahead of tomorrow's final call of 44 per cent.

A report that Southern Rhodesian bond holders should soon be in receipt of the long-awaited offer documents touched off sporadic inquiries for selected Bonds. Included among stocks with gains of around five points at the close, were 6 per cent 1975-80, at 108, and 5 per cent 1975-80, at 102.

Reflecting the paucity of trade in the equity market, business volume in Traded Options was drastically reduced. Only 386 deals were done yesterday compared with the previous day's 1,729 and Monday's 2,687. BP, 245 deals, and Consolidated Goldfields, 212, accounted for more than half the day's total.

First-time dealings in Hesketh Motors were subdued, offered at 30p, the shares opened at that price before slipping to 76p and closing at 75p, the shares are dealt under Special Rule.

Insurances dull
Comment on the disappointing interim results prompted a further reaction of 6 in Stewart

Wrightson, making a two-day relapse of 20 to 21p. Other Lloyds Brokers generally gave ground in sympathy with Hogg Robinson, 126p, and Sedgwick, 123p, down 4 apiece. Alexander Howden hardened a penny to 104p, awaiting today's interim results. Life issues drifted lower on small selling and lack of support. A firm market of late on the better-than-expected half-year figures, Legal and General shed 7 to 240p, while Falls of 6 and 9 respectively were seen in Equity and Law, 323p, and Sun Life, 227p. Composites also gave ground with General Accident closing 6 easier at 300p and Eagle Star 5 lower at 249p.

Little of interest took place in the banking sector, the only movement worthy mention being a further rise of 6 to 236p in Kleinwort Benson following comment on the encouraging interim statement.

A fairly lengthy list of trading statements evidenced proceedings in an otherwise drab Building sector. Manders added 4 to 154p and W. and J. Glossop 3 to 43p, but Cakereed Robey shed 3 to 30p, all on interim results.

Newcastle remained at 325p despite increased half-yearly profits. Barrett Developments put on 4 for a two-day gain of 15 to 146p in response to the good annual results and proposed one-for-four scrip issue, but Brown and Jackson, reporting today, lost 4 more to 120p.

Grattan soar
Fibros, still overshadowed by the poor interim results, gave up another 3 to 200p. ICI opened a couple of pence lower at 350p, but regained the overnight level of 352p. Among other Chemicals, renewed support left Allied Colloids 3 dearer at 126p, but Leigh

Interests softened 4 to 183p on small selling.

Grattan Warehouses highlighted Stores, rising 16 to 66p on the much better-than-expected first-half profits and maintained dividend. Other Mail-Order concerns initially moved higher in sympathy, but closed well below the best. Empire finished only 2 dearer at 140p, after 14p, while Freemans, after touching 126p, ended a net 4 down at 118p. Elsewhere, Cornell Dressed, in which Mr. Asif Nadir has an option on a controlling interest, rose 6 to 72p, while Kean and Scott added 5 for a three-day leap of 42 to 75p on Hawley Leisure's bid approach. H. Samuel A on the other hand fell 5 to 183p on the disappointing interim results. MFI Furniture came on offer at 55p, down 4.

Electrical leaders fluctuated narrowly before settling with small losses on the day. GEC closing 3 lower at 517p and Plessey 2 cheaper at 241p. Reduced interest in Dowry and Mills a shade off at 31p, but Automated Security, a dull market of late, rallied 3 to 313p, while Kode encountered buying interest and put on 12 to 335p.

Northorn Leslie were sold down to 122p before recovering to close only 2 off on balance at 128p.

Vickers, up 2 more at 130p, continued firmly in front of today's interim results, but other leading Engineers were again inhibited. Elsewhere, scattered offerings were in evidence. British Aluminium gave up 5 to 160p and Ransomes Sims closed similarly cheaper at 155p. Baker Perkins also met selling and lost 4 to 64p along with Howden Group, a like amount down at 114p.

A.B. Foods shed 2 to 118p and RHM a penny to 45p on the possibility of industrial action by four mill maintenance workers. Other leading Foods closed narrowly mixed. Lack of interest and occasional selling left Robertson 4 cheaper at 91p, while William Morrison, interim results today, eased a couple of pence to 163p.

Astbury and Madeley, 105p, and Rowan and Boden, 43p, both hardened a penny or two following interim statements, while Aeromarine and General Instruments continued to reflect recent Press comment with a further gain of 10 to 630p. Ricardo, however, fell 15 to 445p following the group's proposed £2m rights issue and George Willis gave up 5 to 55p on lower profits. Burco Dean encountered a late seller and closed 3 off at 18p, while Johnson Matthey reacted 9 more on profit-taking to 263p. Still overshadowed by the disappointing half-year results, Beaton Clark dipped 4 further to 101p.

News that the company had lost its licences to operate three London casinos left Coral Leisure 2 cheaper at 88p. Grand Metropolitan, which touched an 88p high for the latter recently, also shed 2 to 153p.

In Motors, BL put on 2 to 20p following publicity to the company's concession to shareholders. Components had Armstrong Equipment 2 dearer at 42p on satisfactory preliminary results, but sellers again held sway in Dowry which shed 9 more to 222p. Dunlop softened a penny to 79p in front of today's interim results.

Mills and Allen dropped 19 to 328p on the annual results and proposed £5.13m rights issue which was followed by new that Britannia Arrow had sold its 9 per cent stake in the company to various institutions at 318p per share. The sharply lower interim profits and the Board's comments on current trading clipped 5 from Waver, 23p, while Ferry Pickering eased 3 to 64p.

Debt issues encountered selling and shed 8 to 222p, while Stock Conversion lost 10 to 317p and Haslemere Estates 4 at 368p. Up 26 last week pending the outcome of bid approaches to the company, Marier Estates shed 7 to 95p following the preliminary results and property revaluation.

BP advance late
Turnover in the Oil sector was on a much reduced scale after recent activity prompted by the Iraq/Iran situation. BP was prominent in the late dealings at 390p, up 8, on rumours of a big oil find in America by its

subsidiary Sohio. Ultramar, a more lively market than most, opened higher at 435p following overnight bid rumours and improved further to 437p before settling at 430p for a gain of 18 on the day. Double Eagle was good at 710p, up 60 more, on speculation about a drilling report. Warrior Resources were also firm and put on 30 to 385p, but Sun (UK) Royalty reacted 20 to 540p. Pict were quoted ex-rights at 360p, with the new shares at 100p premium.

Heavy falls in Golds
South African Golds came under renewed heavy profit-taking as the bullion price failed to make any fresh progress before closing \$750 down at \$705.50 an ounce.

The share market was marked lower at the outset and lost further ground on persistent selling until the early afternoon when modest "cheap" buying prompted a minor rally. This tended to peter out in the after-hours trade, however, on fresh American selling.

The Gold Mines index dropped 35.6 more to 517—a two-day fall of 41.8.

The heavyweights registered losses to 231, as in West Driefontein, 248p, while West Golds gave up 23 to 241p. Harbested and Western Holdings 23 apiece at 242p and 245p respectively and "Amgold" 23 to 256p.

In the medium and cheaper-priced issues, Kinross dropped 60 to 832p and Free State Shaplad 42 to 458p.

Financials were again featured by Minors which initially fell 10 to 410p on a revised Press comment, rallied sharply to 690p and dipped afresh to close a net 15 up at 660p.

The sharp rise in Minors encouraged heavy demand for Charter, which has a substantial holding in the former; Charter advanced 8 more to year's high of 280p. Gold Fields fell to 645p but rallied to close only 2 down at 650p while Tanks gave up 6 to 342p.

Platinum shares a minor recovery with golds but were still substantially lower at the close. Rustenburg were finally 17 off at 343p, after 338p, while Impala dropped 15 to 555p, after 533p.

FINANCIAL TIMES STOCK INDICES									
	Sept. 24	Sept. 23	Sept. 22	Sept. 21	Sept. 20	Sept. 19	Sept. 18	Sept. 17	Year ago
Government Secs.	70.81	70.18	70.24	70.78	71.19	70.61	70.63	70.63	
Fixed Interest	71.70	71.70	71.84	72.08	71.97	71.78	72.74	72.74	
Industrial Ord.	483.3	485.1	487.3	484.4	487.7	500.8	489.9	489.9	
Gold Mines	517.0	542.6	588.0	504.8	487.7	487.8	486.8	486.8	
Ord. Div. Yield	7.54	7.51	7.49	7.40	7.38	7.35	6.87	6.87	
Earnings, Yld. X (Full)	17.15	17.07	17.01	16.87	17.36	17.27	17.61	17.61	
P/E Ratio (est.)	7.15	7.17	7.00	7.07	7.02	7.05	6.56	6.56	
Total Gains	80,806	28,494	81,818	19,648	20,608	19,974	18,370	18,370	
Equity turnover £m.	150,821	138,399	116,247	150,167	130,541	101,501	101,501	101,501	
Equity bargains total	17,032	17,189	16,680	17,188	16,500	12,319	12,319	12,319	

10 am 482.5, 11 am 484.3, Noon 484.2, 1 pm 484.2
2 pm 484.1, 3 pm 484.0
Latest index 01-286 0028
9M1=6.65

Basis 100 Govt. Secs. 15/10/72, Fixed Inc. 1928, Industrial Div. 1/7/75, Gold Mines 12/9/75, S.E. Activity July-Dec. 1972.

HIGHS AND LOWS				S.E. ACTIVITY	
	1980	Since Comp'n		Sept. 24	Sept. 23
Govt Secs.	70.81	63.85	137.4	49.13	85.7
Fixed Int.	71.70	64.70	150.4	50.65	100.3
Ind. Ord.	483.3	406.5	558.6	49.4	100.3
Gold Mines	517.0	406.5	558.6	49.4	100.3

—Daily
—Gilt Edged
—Industrial
—Speculative
—Totals

5-day Average
—Gilt Edged
—Industrial
—Speculative
—Totals

NEW HIGHS AND LOWS FOR 1980				RISES AND FALLS YESTERDAY	
	Place	Change	Up Down Same		
ASIA	ASIA			British Funds	34
AMERICANS	AMERICANS			Foreign Bonds	3
BANKS	BANKS			Industrial	117
BUILDINGS	BUILDINGS			Financial and Prop.	22
ELECTRICALS	ELECTRICALS			Dis	15
INDUSTRIALS	INDUSTRIALS			Plantations	2
MINES	MINES			Mines	16
PROPERTY	PROPERTY			Others	29
TRUSTS	TRUSTS			Totals	236

LEADERS AND LAGGARDS									
Percentage changes since December 31, 1979 based on Tuesday, September 23									
Gold Mines FT	+102.01	Stores	+24.77	Industrial Group	+23.14	500 Share Index	+22.74	Pharmaceuticals	+22.28
Mining Finance	+70.21	Industrial Group	+23.14	500 Share Index	+22.74	Pharmaceuticals	+22.28	Dis	+21.14
Insurance (Life)	+68.55	Dis	+21.14	Other Groups	+19.43	Engineering	+18.93	Food Manufacturing	+18.45
Merchant Banks	+64.23	Other Groups	+19.43	Engineering	+18.93	Food Manufacturing	+18.45	Banking	+18.39
Electricity	+59.51	Engineering	+18.93	Food Manufacturing	+18.45	Banking	+18.39	Chemicals	+18.32
Property	+48.69	Food Manufacturing	+18.45	Banking	+18.39	Chemicals	+18.32	Textiles	+18.30
Insurance	+46.21	Banking	+18.39	Chemicals	+18.32	Textiles	+18.30	Household Goods	+18.28
Investment Trusts	+44.84	Chemicals	+18.32	Textiles	+18.30	Household Goods	+18.28	Automotive	+18.26
Electronics, Radio and TV	+44.84	Textiles	+18.30	Household Goods	+18.28	Automotive	+18.26	Consumer Goods	+18.24
Financial Group	+42.58	Household Goods	+18.28	Automotive	+18.26	Consumer Goods	+18.24	Entertainment and Catering	+18.22
Overseas Trade	+37.51	Automotive	+18.26	Consumer Goods	+18.24	Entertainment and Catering	+18.22	Consumer Goods	+18.20
Discount Houses	+37.51	Consumer Goods	+18.24	Entertainment and Catering	+18.22	Consumer Goods	+18.20		
Shipping	+35.29	Entertainment and Catering	+18.22	Consumer Goods	+18.20				
Food Retailing	+33.26	Consumer Goods	+18.20						
Capital Goods Group	+33.26								
Hire Purchase	+32.35								
Contracting and Construction	+28.85								
Insurance Stocks	+28.85								
Building Materials	+28.44								
All-Share Index	+28.24								
Entertainment and Catering	+26.24								
Consumer Goods	+26.07								

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS		Wed., Sept. 24, 1980					Tues. Sept. 23		Mon. Sept. 22		Fri. Sept. 19		Thurs. Sept. 18		Year ago (approx.)	
Figures in parentheses show number of stocks per section		Index No.	Day's Change %	Est. Earnings Yield %	Gross Div. Yield % (ACT at 20%)	Est. P/E Ratio (Net)	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	
1	CAPITAL GOODS (271)	283.79	-0.7	15.54	5.81	7.82	283.79	283.79	283.79	283.79	283.79	283.79	283.79	283.79	283.79	
2	Building Materials (28)	253.22	-0.5	18.47	6.75	6.42	253.22	253.22	253.22	253.22	253.22	253.22	253.22	253.22	253.22	
3	Contracting, Construction (27)	425.57	-0.4	21.90	5.84	5.43	425.57	425.57	425.57	425.57	425.57	425.57	425.57	425.57	425.57	
4	Electricals (17)	871.13	-0.6	11.21	3.96	10.97	871.13	871.13	871.13	871.13	871.13	871.13	871.13	871.13	871.13	
5	Engineering Contractors (11)	339.68	-0.7	18.23	7.45	7.00	339.68	339.68	339.68	339.68	339.68	339.68	339.68	339.68	339.68	
6	Mechanical Engineering (72)	176.47	-0.8	18.44	7.56	7.43	176.47	176.47	176.47	176.47	176.47	176.47	176.47	176.47	176.47	
7	Metals and Metal Forming (16)	168.04	-1.2	18.15	10.08	6.85	168.04	168.04	168.04	168.04	168.04	168.04	168.04	168.04	168.04	
CONSUMER GOODS																
11	(DURABLE) (49)	238.74	-0.5	15.49	5.27	8.82	240.02	241.21	244.25	248.27	250.27	240.18	240.18	240.18	240.18	
12	Lt. Electronics, Radio, TV (14)	368.63	-0.6	12.92	3.75	11.75	370.99	373.28	375.25	386.68	396.68	368.63	368.63	368.63	368.63	
13	Household Goods (14)	87.63	-0.1	25.26	11.25	4.78	87.64	87.64	88.15	88.72	142.65	87.63	87.63	87.63	87.63	
14	Motors and Distributors (21)	97.12	-0.3	22.77	9.68	5.06	97.39	97.61	98.25	102.27	110.76	97.12	97.12	97.12	97.12	
CONSUMER GOODS																
21	(NON DURABLES) (172)	239.92	-0.6	17.17	6.74	7.94	241.32	242.15	245.56	246.76	248.45	239.92	239.92	239.92	239.92	
22	Beverages (14)	288.97	-0.7	15.73	6.38	7.42	291.14	293.03	295.49	301.99	307.09	288.97	288.97	288.97	288.97	
23	Wines and Spirits (5)	318.92	-0.7	19.19	6.39	6.16	318.96	319.14	319.29	321.51	323.33	318.92	318.92	318.92	318.92	
24	Entertainment, Catering (17)	342.30	-0.8	18.35	6.53	7.27	345.21	347.24	350.86	352.05	353.55	342.30	342.30	342.30	342.30	
25	Food Manufacturers (22)	219.86	-0.5	18.26	6.90	6.46	221.08	221.38	223.96	226.47	228.18	219.86	219.86	219.86	219.86	
26	Food Retailing (13)	392.58	-0.3	11.94	3.96	9.94	393.89	394.94	399.49	403.65	413.73	392.58	392.58	392.58	392.58	
27	Newspapers, Publishing (12)	446.03	-0.3	21.07	7.16	6.35	447.43	447.14	448.96	448.82	447.05	446.03	446.03	446.03	446.03	
28	Packaging and Paper (15)	129.69	-0.8	27.25	10.05	4.27	128.64	127.89	129.32	129.63	131.96	129.69	129.69	129.69	129.69	
29	Stores (45)	236.26	-0.9	13.06	5.32	10.00	238.00	239.13	242.95	243.77	237.25	236.26	236.26	236.26	236.26	
30	Textiles (22)	118.71	-0.4	26.40	12.98	4.62	118.22	118.81	120.36	120.88	128.88	118.71	118.71	118.71	118.71	
31	Tobacco (3)	218.92	-1.2	26.22	10.63	4.34	219.20	222.64	231.95	232.96	241.69	218.92	218.92	218.92	218.92	
32	Toys and Games (5)	24.38	-0.2	9.22	15.64	2.57	23.85	24.29	24.67	24.67	68.81	24.38	24.38	24.38	24.38	
OTHER GROUPS (59)		222.16	-0.6	15.85	7.05	7.56	223.94	224.67	227.43	228.62	207.68	222.16	222.16	222.16	222.16	
35	Chemicals (16)	307.50	-0.4	17.54	7.90	6.66	308.44	310.78	313.32	314.73	316.91	307.50	307.50	307.50	307.50	
36	Pharmaceutical Products (7)	235.68	-0.7	10.65	5.88	11.62	237.26	237.63	241.21	242.64	233.61	235.68	235.68	235.68	235.68	
37	Office Equipment (6)	93.25	-2.1	21.44	8.71	5.44	92.28	93.34	93.76	104.97	123.16	93.25	93.25	93.25	93.25	
38	Shipping (20)	274.76	-0.2	18.27	6.58	7.32	275.88	277.43	280.50	297.54	403.48	274.76	274.76	274.76	274.76	
39	Miscellaneous (60)	278.71	-0.7	16.63	6.58	7.32	280.66	280.73	283.53	285.97	244.99	278.71	278.71	278.71	278.71	
INDUSTRIAL GROUP (491)		254.19	-0.6	16.33	6.45	7.47	255.77	256.96	260.55	262.97	269.25	254.19	254.19	254.19	254.19	
51	Oils (9)	842.99	-0.1	26.71	6.27	3.88	843.58	848.08	852.17	864.94	882.81	842.99	842.99	842.99	842.99	
52	500 SHARE INDEX	300.82	-0.5	19.01	6.41	6.21	302.43	303.99	306.78	309.99	314.94	300.82	300.82	300.82	300.82	
FINANCIAL GROUP (138)		248.90	-1.0	—	5.26	—	251.49	251.55	254.96	256.71	266.18	248.90	248.90	248.90	248.90	
61	Banks (6)	249.43	-0.4	40.97	6.75	2.92	250.37	250.29	252.60	252.72	227.38	249.43	249.43	249.43	249.43	
62	Discount Houses (10)	301.62	—	—	5.08	—	301.55	299.96	301.45	300.04	251.26	301.62	301.62	301.62	301.62	
63	Hire Purchase (5)	219.46	-0.8	11.31	44.00	11.94	221.29	222.95	227.62	231.18	177.71	219.46	219.46	219.46	219.46	
64	Insurance (Life) (10)	268.19	-1.3	—	5.06	—	263.74	268.28	267.28	264.93	163.92	268.19	268.19	268.19	268.19	
65	Insurance (Composite) (9)	176.24	-1.2	—	6.44	—	178.94	178.48	180.32	183.32	123.82	176.24	176.24	176.24	176.24	
66	Insurance Brokers (9)	338.28	-1.9	13.69	6.91	10.00	340.78	340.78	338.28	338.28	292.37	338.28	338.28	338.28	338.28	
67	Merchant Banks (12)	147.09	-0.2	—	4.93	—	147.48	146.54	148.23	148.14	106.96	147.09	147.09	147.09	147.09	
68	Property (45)	457.83	-1.5	3.10	2.61	44.99	464.61	462.93	468.93	473.78	355.66	457.83	457.83	457.83	457.83	
69	Miscellaneous (12)	151.43	-0.7	15.61	6.12	8.12	152.48	152.92	153.49	154.51	123.45	151.43	151.43	151.43	151.43	
71	Investment Trusts (109)	277.94	-1.3	—	5.25	—	281.64	281.95	282.92	283.85	217.46	277.94	277.94	277.94	277.94	
81	Mining Finance (3)	275.72	—	12.81	4.75	9.31	275.64	274.69	265.64	265.36	136.43	275.72	275.72	275.72	275.72	
91	Overseas Traders (20)	452.74	-1.2	11.11	6.52	10.05	458.13	457.90	454.22	465.39	345.80	452.74	452.74	452.74	452.74	
99	ALL-SHARE INDEX (750)	292.77	-0.7	—	6.07	—	294.61	295.25	296.50	298.09	252.97	292.77	292.77	292.77	292.77	
FIXED INTEREST PRICE INDICES							FIXED INTEREST YIELDS									
							British Govt. Aa, Gross Red.									
British Government		Wed. Sept. 24	Day's Change %	yd adj. today	yd adj. 1980 to date	1	Low Coupons	5 years.....	11.71	11.70	10.11					
						2	5	15 years.....	11.71	11.70	10.65					
						3	25	25 years.....	11.70	11.70	11.20					
1 Under 5 years.....		106.78	+0.02	—	7.62	4	Medium Coupons	5 years.....	13.05	13.08	12.28					
2 5-15 years.....		121.36	+0.16	—	9.33	5	15 years.....	13.06	13.27	12.28						
						6	25 years.....	13.07	13.04	12.36						
3 Over 15 years.....		118.46	+0.04	—	9.56	7	High Coupons	5 years.....	13.19	13.22	12.58					
4 Irredeemables.....		130.95	-0.05	—	9.82	8	15 years.....	13.16	13.57	12.73						
						9	25 years.....	13.27	13.26	12.63						
5 All stocks.....		112.28	+0.08	—	9.10	10	Irredeemables		13.31	13.31	11.83					

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High	Low	Stock	Price	+ or -	Int.	Yield
"Shorts" (Lives up to Five Years)						
100 1/4	99 1/4	Exchgr. Sep. 1950-1951	99 1/4	+	13.00	34
100 1/4	99 1/4	Exchgr. Sep. 1951-1952	99 1/4	+	11.60	34
100 1/4	99 1/4	Exchgr. Sep. 1952-1953	99 1/4	+	9.60	34
100 1/4	99 1/4	Exchgr. Sep. 1953-1954	99 1/4	+	7.60	34
100 1/4	99 1/4	Exchgr. Sep. 1954-1955	99 1/4	+	5.60	34
100 1/4	99 1/4	Exchgr. Sep. 1955-1956	99 1/4	+	3.60	34
100 1/4	99 1/4	Exchgr. Sep. 1956-1957	99 1/4	+	1.60	34
100 1/4	99 1/4	Exchgr. Sep. 1957-1958	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1958-1959	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1959-1960	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1960-1961	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1961-1962	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1962-1963	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1963-1964	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1964-1965	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1965-1966	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1966-1967	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1967-1968	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1968-1969	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1969-1970	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1970-1971	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1971-1972	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1972-1973	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1973-1974	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1974-1975	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1975-1976	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1976-1977	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1977-1978	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1978-1979	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1979-1980	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1980-1981	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1981-1982	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1982-1983	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1983-1984	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1984-1985	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1985-1986	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1986-1987	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1987-1988	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1988-1989	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1989-1990	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1990-1991	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1991-1992	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1992-1993	99 1/4	+	0.60	34
100 1/4	99 1/4	Exchgr. Sep. 1993-1994	99 1/4	+	0.60	34
100 1/4	99 1/4					

[illegible]

100	872	Treasury 12-mo 5.5%	100	1332
99	870	Treasury 18-mo 5.5%	100	1330
98	868	Treasury 24-mo 5.5%	100	1328
97	866	Treasury 30-mo 5.5%	100	1326
96	864	Treasury 36-mo 5.5%	100	1324
95	862	Treasury 42-mo 5.5%	100	1322
94	860	Treasury 48-mo 5.5%	100	1320
93	858	Treasury 54-mo 5.5%	100	1318
92	856	Treasury 60-mo 5.5%	100	1316
91	854	Treasury 66-mo 5.5%	100	1314
90	852	Treasury 72-mo 5.5%	100	1312
89	850	Treasury 78-mo 5.5%	100	1310
88	848	Treasury 84-mo 5.5%	100	1308
87	846	Treasury 90-mo 5.5%	100	1306
86	844	Treasury 96-mo 5.5%	100	1304
85	842	Treasury 102-mo 5.5%	100	1302
84	840	Treasury 108-mo 5.5%	100	1300
83	838	Treasury 114-mo 5.5%	100	1298
82	836	Treasury 120-mo 5.5%	100	1296
81	834	Treasury 126-mo 5.5%	100	1294
80	832	Treasury 132-mo 5.5%	100	1292
79	830	Treasury 138-mo 5.5%	100	1290
78	828	Treasury 144-mo 5.5%	100	1288
77	826	Treasury 150-mo 5.5%	100	1286
76	824	Treasury 156-mo 5.5%	100	1284
75	822	Treasury 162-mo 5.5%	100	1282
74	820	Treasury 168-mo 5.5%	100	1280
73	818	Treasury 174-mo 5.5%	100	1278
72	816	Treasury 180-mo 5.5%	100	1276
71	814	Treasury 186-mo 5.5%	100	1274
70	812	Treasury 192-mo 5.5%	100	1272
69	810	Treasury 198-mo 5.5%	100	1270
68	808	Treasury 204-mo 5.5%	100	1268
67	806	Treasury 210-mo 5.5%	100	1266
66	804	Treasury 216-mo 5.5%	100	1264
65	802	Treasury 222-mo 5.5%	100	1262
64	800	Treasury 228-mo 5.5%	100	1260
63	798	Treasury 234-mo 5.5%	100	1258
62	796	Treasury 240-mo 5.5%	100	1256
61	794	Treasury 246-mo 5.5%	100	1254
60	792	Treasury 252-mo 5.5%	100	1252
59	790	Treasury 258-mo 5.5%	100	1250
58	788	Treasury 264-mo 5.5%	100	1248
57	786	Treasury 270-mo 5.5%	100	1246
56	784	Treasury 276-mo 5.5%	100	1244
55	782	Treasury 282-mo 5.5%	100	1242
54	780	Treasury 288-mo 5.5%	100	1240
53	778	Treasury 294-mo 5.5%	100	1238
52	776	Treasury 300-mo 5.5%	100	1236
51	774	Treasury 306-mo 5.5%	100	1234
50	772	Treasury 312-mo 5.5%	100	1232
49	770	Treasury 318-mo 5.5%	100	1230
48	768	Treasury 324-mo 5.5%	100	1228
47	766	Treasury 330-mo 5.5%	100	1226
46	764	Treasury 336-mo 5.5%	100	1224
45	762	Treasury 342-mo 5.5%	100	1222
44	760	Treasury 348-mo 5.5%	100	1220
43	758	Treasury 354-mo 5.5%	100	1218
42	756	Treasury 360-mo 5.5%	100	1216
41	754	Treasury 366-mo 5.5%	100	1214
40	752	Treasury 372-mo 5.5%	100	1212
39	750	Treasury 378-mo 5.5%	100	1210
38	748	Treasury 384-mo 5.5%	100	1208
37	746	Treasury 390-mo 5.5%	100	1206
36	744	Treasury 396-mo 5.5%	100	1204
35	742	Treasury 402-mo 5.5%	100	1202
34	740	Treasury 408-mo 5.5%	100	1200
33	738	Treasury 414-mo 5.5%	100	1198
32	736	Treasury 420-mo 5.5%	100	1196
31	734	Treasury 426-mo 5.5%	100	1194
30	732	Treasury 432-mo 5.5%	100	1192
29	730	Treasury 438-mo 5.5%	100	1190
28	728	Treasury 444-mo 5.5%	100	1188
27	726	Treasury 450-mo 5.5%	100	1186
26	724	Treasury 456-mo 5.5%	100	1184
25	722	Treasury 462-mo 5.5%	100	1182

35%	29	Consols 4pc	32%	1 1/2	12.40	
33%	28%	War Loan 31 pc	32%		11.11	
37%	32%	Conv. 3pc 61 Aft.	35%		9.98	
25%	21%	Treasury 3pc 66 Aft.	2 1/2 pc	1 1/2	12.33	
22%	19%	Consols 2pc	21 1/2 pc		11.66	
22	17%	Treasury 2pc	20 1/2 pc		12.32	

8712 | 78 | 5pc Stock 77-82 — | . 86 | -4 | 5.81 | 13.

98	97	Brantford 12-30	12.89
99	96	Brantford 12-30	12.89
100	95	Brantford 12-30	12.89
101	94	Brantford 12-30	12.89
102	93	Brantford 12-30	12.89
103	92	Brantford 12-30	12.89
104	91	Brantford 12-30	12.89
105	90	Brantford 12-30	12.89
106	89	Brantford 12-30	12.89
107	88	Brantford 12-30	12.89
108	87	Brantford 12-30	12.89
109	86	Brantford 12-30	12.89
110	85	Brantford 12-30	12.89
111	84	Brantford 12-30	12.89
112	83	Brantford 12-30	12.89
113	82	Brantford 12-30	12.89
114	81	Brantford 12-30	12.89
115	80	Brantford 12-30	12.89
116	79	Brantford 12-30	12.89
117	78	Brantford 12-30	12.89
118	77	Brantford 12-30	12.89
119	76	Brantford 12-30	12.89
120	75	Brantford 12-30	12.89
121	74	Brantford 12-30	12.89
122	73	Brantford 12-30	12.89
123	72	Brantford 12-30	12.89
124	71	Brantford 12-30	12.89
125	70	Brantford 12-30	12.89
126	69	Brantford 12-30	12.89
127	68	Brantford 12-30	12.89
128	67	Brantford 12-30	12.89
129	66	Brantford 12-30	12.89
130	65	Brantford 12-30	12.89
131	64	Brantford 12-30	12.89
132	63	Brantford 12-30	12.89
133	62	Brantford 12-30	12.89
134	61	Brantford 12-30	12.89
135	60	Brantford 12-30	12.89
136	59	Brantford 12-30	12.89
137	58	Brantford 12-30	12.89
138	57	Brantford 12-30	12.89
139	56	Brantford 12-30	12.89
140	55	Brantford 12-30	12.89
141	54	Brantford 12-30	12.89
142	53	Brantford 12-30	12.89
143	52	Brantford 12-30	12.89
144	51	Brantford 12-30	12.89
145	50	Brantford 12-30	12.89
146	49	Brantford 12-30	12.89
147	48	Brantford 12-30	12.89
148	47	Brantford 12-30	12.89
149	46	Brantford 12-30	12.89
150	45	Brantford 12-30	12.89
151	44	Brantford 12-30	12.89
152	43	Brantford 12-30	12.89
153	42	Brantford 12-30	12.89
154	41	Brantford 12-30	12.89
155	40	Brantford 12-30	12.89
156	39	Brantford 12-30	12.89
157	38	Brantford 12-30	12.89
158	37	Brantford 12-30	12.89
159	36	Brantford 12-30	12.89
160	35	Brantford 12-30	12.89
161	34	Brantford 12-30	12.89
162	33	Brantford 12-30	12.89
163	32	Brantford 12-30	12.89
164	31	Brantford 12-30	12.89
165	30	Brantford 12-30	12.89
166	29	Brantford 12-30	12.89
167	28	Brantford 12-30	12.89
168	27	Brantford 12-30	12.89
169	26	Brantford 12-30	12.89
170	25	Brantford 12-30	12.89
171	24	Brantford 12-30	12.89
172	23	Brantford 12-30	12.89
173	22	Brantford 12-30	12.89
174	21	Brantford 12-30	12.89
175	20	Brantford 12-30	12.89
176	19	Brantford 12-30	12.89
177	18	Brantford 12-30	12.89
178	17	Brantford 12-30	12.89
179	16	Brantford 12-30	12.89
180	15	Brantford 12-30	12.89
181	14	Brantford 12-30	12.89
182	13	Brantford 12-30	12.89
183	12	Brantford 12-30	12.89
184	11	Brantford 12-30	12.89
185	10	Brantford 12-30	12.89
186	9	Brantford 12-30	12.89
187	8	Brantford 12-30	12.89
188	7	Brantford 12-30	12.89

AFRICAN LOANS

51	824	Aust. 5 pct '81-82	383	6.19	13.1
854	724	D. 6 pct 1981-83	94	7.30	13.1
67	58	N.Z. 7 pct 1988-92	6.53	11.71	13.1
3012	72	D. 7 pct '83-86	384	9.55	12.2
963	88	S. Africa 9 pct '79-81	964	10.22	16.1
160	95	S. Rhod. 2 pct Non-As	98	+1	29.1
160	133	Fin. 4 pct '78-81 M. As	195	+	77.1

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1980		1981		1982		1983		1984		1985		1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996		1997		1998		1999		2000		2001		2002		2003		2004		2005		2006		2007		2008		2009		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021		2022		2023		2024		2025		2026		2027		2028		2029		2030		2031		2032		2033		2034		2035		2036		2037		2038		2039		2040		2041		2042		2043		2044		2045		2046		2047		2048		2049		2050		2051		2052		2053		2054		2055		2056		2057		2058		2059		2060		2061		2062		2063		2064		2065		2066		2067		2068		2069		2070		2071		2072		2073		2074		2075		2076		2077		2078		2079		2080		2081		2082		2083		2084		2085		2086		2087		2088		2089		2090		2091		2092		2093		2094		2095		2096		2097		2098		2099		2100		2101		2102		2103		2104		2105		2106		2107		2108		2109		2110		2111		2112		2113		2114		2115		2116		2117		2118		2119		2120		2121		2122		2123		2124		2125		2126		2127		2128		2129		2130		2131		2132		2133		2134		2135		2136		2137		2138		2139		2140		2141		2142		2143		2144		2145		2146		2147		2148		2149		2150		2151		2152		2153		2154		2155		2156		2157		2158		2159		2160		2161		2162		2163		2164		2165		2166		2167		2168		2169		2170		2171		2172		2173		2174		2175		2176		2177		2178		2179		2180		2181		2182		2183		2184		2185		2186		2187		2188		2189		2190		2191		2192		2193		2194		2195		2196		2197		2198		2199		2200		2201		2202		2203		2204		2205		2206		2207		2208		2209		2210		2211		2212		2213		2214		2215		2216		2217		2218		2219		2220		2221		2222		2223		2224		2225		2226		2227		2228		2229		2230		2231		2232		2233		2234		2235		2236		2237		2238		2239		2240		2241		2242		2243		2244		2245		2246		2247		2248		2249		2250		2251		2252		2253		2254		2255		2256		2257		2258		2259		2260		2261		2262		2263		2264		2265		2266		2267		2268		2269		2270		2271		2272		2273		2274		2275		2276		2277		2278		2279		2280		2281		2282		2283		2284		2285		2286		2287		2288		2289		2290		2291		2292		2293	
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510	Colgate-P. \$1	676	23.08	7.7
511	Colt Ind. \$1	677	23.08	7.7
512	Com. \$1	678	23.08	7.7
513	Com. \$1	679	23.08	7.7
514	Com. \$1	680	23.08	7.7
515	Com. \$1	681	23.08	7.7
516	Com. \$1	682	23.08	7.7
517	Com. \$1	683	23.08	7.7
518	Com. \$1	684	23.08	7.7
519	Com. \$1	685	23.08	7.7
520	Com. \$1	686	23.08	7.7
521	Com. \$1	687	23.08	7.7
522	Com. \$1	688	23.08	7.7
523	Com. \$1	689	23.08	7.7
524	Com. \$1	690	23.08	7.7
525	Com. \$1	691	23.08	7.7
526	Com. \$1	692	23.08	7.7
527	Com. \$1	693	23.08	7.7
528	Com. \$1	694	23.08	7.7
529	Com. \$1	695	23.08	7.7
530	Com. \$1	696	23.08	7.7
531	Com. \$1	697	23.08	7.7
532	Com. \$1	698	23.08	7.7
533	Com. \$1	699	23.08	7.7
534	Com. \$1	700	23.08	7.7
535	Com. \$1	701	23.08	7.7
536	Com. \$1	702	23.08	7.7
537	Com. \$1	703	23.08	7.7
538	Com. \$1	704	23.08	7.7
539	Com. \$1	705	23.08	7.7
540	Com. \$1	706	23.08	7.7
541	Com. \$1	707	23.08	7.7
542	Com. \$1	708	23.08	7.7
543	Com. \$1	709	23.08	7.7
544	Com. \$1	710	23.08	7.7
545	Com. \$1	711	23.08	7.7
546	Com. \$1	712	23.08	7.7
547	Com. \$1	713	23.08	7.7
548	Com. \$1	714	23.08	7.7
549	Com. \$1	715	23.08	7.7
550	Com. \$1	716	23.08	7.7
551	Com. \$1	717	23.08	7.7
552	Com. \$1	718	23.08	7.7
553	Com. \$1	719	23.08	7.7
554	Com. \$1	720	23.08	7.7
555	Com. \$1	721	23.08	7.7
556	Com. \$1	722	23.08	7.7
557	Com. \$1	723	23.08	7.7
558	Com. \$1	724	23.08	7.7
559	Com. \$1	725	23.08	7.7
560	Com. \$1	726	23.08	7.7
561	Com. \$1	727	23.08	7.7
562	Com. \$1	728	23.08	7.7
563	Com. \$1	729	23.08	7.7
564	Com. \$1	730	23.08	7.7
565	Com. \$1	731	23.08	7.7
566	Com. \$1	732	23.08	7.7
567	Com. \$1	733	23.08	7.7
568	Com. \$1	734	23.08	7.7
569	Com. \$1	735	23.08	7.7
570	Com. \$1	736	23.08	7.7
571	Com. \$1	737	23.08	7.7
572	Com. \$1	738	23.08	7.7
573	Com. \$1	739	23.08	7.7
574	Com. \$1	740	23.08	7.7
575	Com. \$1	741	23.08	7.7
576	Com. \$1	742	23.08	7.7
577	Com. \$1	743	23.08	7.7
578	Com. \$1	744	23.08	7.7
579	Com. \$1	745	23.08	7.7
580	Com. \$1	746	23.08	7.7
581	Com. \$1	747	23.08	7.7
582	Com. \$1	748	23.08	7.7
583	Com. \$1	749	23.08	7.7
584	Com. \$1	750	23.08	7.7
585	Com. \$1	751	23.08	7.7
586	Com. \$1	752	23.08	7.7
587	Com. \$1	753	23.08	7.7
588	Com. \$1	754	23.08	7.7
589	Com. \$1	755	23.08	7.7
590	Com. \$1	756	23.08	7.7
591	Com. \$1	757	23.08	7.7
592	Com. \$1	758	23.08	7.7
593	Com. \$			

651p	Reynard SS	767p	\$1.04	
652p	Wickham-Mrill SS	768p	\$1.32	
653p	Rockwell Int. SL	769p	\$1.40	
654p	Sand (R.F.S.) SL	770p	\$1.40	
655p	St. Louis SS	771p	\$1.40	
656p	St. Louis SS	772p	\$1.40	
657p	Singer SL	773p	\$1.40	
658p	Sperry Geo. \$0.50	774p	\$1.40	
659p	TROW Inc. SL	775p	\$1.40	
660p	Tenneco SS	776p	\$1.40	
661p	Tenneco SS	777p	\$1.40	
662p	Tenneco SS	778p	\$1.40	
663p	Tenneco SS	779p	\$1.40	
664p	Tenneco SS	780p	\$1.40	
665p	Tenneco SS	781p	\$1.40	
666p	Tenneco SS	782p	\$1.40	
667p	Tenneco SS	783p	\$1.40	
668p	Tenneco SS	784p	\$1.40	
669p	Tenneco SS	785p	\$1.40	
670p	Tenneco SS	786p	\$1.40	
671p	Tenneco SS	787p	\$1.40	
672p	Tenneco SS	788p	\$1.40	
673p	Tenneco SS	789p	\$1.40	
674p	Tenneco SS	790p	\$1.40	
675p	Tenneco SS	791p	\$1.40	
676p	Tenneco SS	792p	\$1.40	
677p	Tenneco SS	793p	\$1.40	
678p	Tenneco SS	794p	\$1.40	
679p	Tenneco SS	795p	\$1.40	
680p	Tenneco SS	796p	\$1.40	
681p	Tenneco SS	797p	\$1.40	
682p	Tenneco SS	798p	\$1.40	
683p	Tenneco SS	799p	\$1.40	
684p	Tenneco SS	800p	\$1.40	
685p	Tenneco SS	801p	\$1.40	
686p	Tenneco SS	802p	\$1.40	
687p	Tenneco SS	803p	\$1.40	
688p	Tenneco SS	804p	\$1.40	
689p	Tenneco SS	805p	\$1.40	
690p	Tenneco SS	806p	\$1.40	
691p	Tenneco SS	807p	\$1.40	
692p	Tenneco SS	808p	\$1.40	
693p	Tenneco SS	809p	\$1.40	
694p	Tenneco SS	810p	\$1.40	
695p	Tenneco SS	811p	\$1.40	
696p	Tenneco SS	812p	\$1.40	
697p	Tenneco SS	813p	\$1.40	
698p	Tenneco SS	814p	\$1.40	
699p	Tenneco SS	815p	\$1.40	
700p	Tenneco SS	816p	\$1.40	
701p	Tenneco SS	817p	\$1.40	
702p	Tenneco SS	818p	\$1.40	
703p	Tenneco SS	819p	\$1.40	
704p	Tenneco SS	820p	\$1.40	
705p	Tenneco SS	821p	\$1.40	
706p	Tenneco SS	822p	\$1.40	
707p	Tenneco SS	823p	\$1.40	
708p	Tenneco SS	824p	\$1.40	
709p	Tenneco SS	825p	\$1.40	
710p	Tenneco SS	826p	\$1.40	
711p	Tenneco SS	827p	\$1.40	
712p	Tenneco SS	828p	\$1.40	
713p	Tenneco SS	829p	\$1.40	
714p	Tenneco SS	830p	\$1.40	
715p	Tenneco SS	831p	\$1.40	
716p	Tenneco SS	832p	\$1.40	
717p	Tenneco SS	833p	\$1.40	
718p	Tenneco SS	834p	\$1.40	
719p	Tenneco SS	835p	\$1.40	
720p	Tenneco SS	836p	\$1.40	
721p	Tenneco SS	837p	\$1.40	
722p	Tenneco SS	838p	\$1.40	
723p	Tenneco SS	839p	\$1.40	
724p	Tenneco SS	840p	\$1.40	
725p	Tenneco SS	841p	\$1.40	
726p	Tenneco SS	842p	\$1.40	
727p	Tenneco SS	843p	\$1.40	
728p	Tenneco SS	844p	\$1.40	
729p	Tenneco SS	845p	\$1.40	
730p	Tenneco SS	846p	\$1.40</	

8650	St. Montreal 32	209	\$1.56	54
8710	Mo. North Scot. \$1	100	\$1.60	55
8710	Bel. Canada 300	670	\$1.50	56
8710	Bel. Canada 300	670	\$1.50	57
8710	Bel. Canada 300	670	\$1.50	58
8710	Bel. Canada 300	670	\$1.50	59
8710	Bel. Canada 300	670	\$1.50	60
8710	Bel. Canada 300	670	\$1.50	61
8710	Bel. Canada 300	670	\$1.50	62
8710	Bel. Canada 300	670	\$1.50	63
8710	Bel. Canada 300	670	\$1.50	64
8710	Bel. Canada 300	670	\$1.50	65
8710	Bel. Canada 300	670	\$1.50	66
8710	Bel. Canada 300	670	\$1.50	67
8710	Bel. Canada 300	670	\$1.50	68
8710	Bel. Canada 300	670	\$1.50	69
8710	Bel. Canada 300	670	\$1.50	70
8710	Bel. Canada 300	670	\$1.50	71
8710	Bel. Canada 300	670	\$1.50	72
8710	Bel. Canada 300	670	\$1.50	73
8710	Bel. Canada 300	670	\$1.50	74
8710	Bel. Canada 300	670	\$1.50	75
8710	Bel. Canada 300	670	\$1.50	76
8710	Bel. Canada 300	670	\$1.50	77
8710	Bel. Canada 300	670	\$1.50	78
8710	Bel. Canada 300	670	\$1.50	79
8710	Bel. Canada 300	670	\$1.50	80
8710	Bel. Canada 300	670	\$1.50	81
8710	Bel. Canada 300	670	\$1.50	82
8710	Bel. Canada 300	670	\$1.50	83
8710	Bel. Canada 300	670	\$1.50	84
8710	Bel. Canada 300	670	\$1.50	85
8710	Bel. Canada 300	670	\$1.50	86
8710	Bel. Canada 300	670	\$1.50	87
8710	Bel. Canada 300	670	\$1.50	88
8710	Bel. Canada 300	670	\$1.50	89
8710	Bel. Canada 300	670	\$1.50	90
8710	Bel. Canada 300	670	\$1.50	91
8710	Bel. Canada 300	670	\$1.50	92
8710	Bel. Canada 300	670	\$1.50	93
8710	Bel. Canada 300	670	\$1.50	94
8710	Bel. Canada 300	670	\$1.50	95
8710	Bel. Canada 300	670	\$1.50	96
8710	Bel. Canada 300	670	\$1.50	97
8710	Bel. Canada 300	670	\$1.50	98
8710	Bel. Canada 300	670	\$1.50	99
8710	Bel. Canada 300	670	\$1.50	100

1980		Stock	Price	%	Mk. Net	YTD	P/E
High	Low						
243		IANZ S&I	225	-1	102%	3.7	54
244		Johnson D. O.	140	-1	102%	3.7	54
245		Algonquin F100	148 1/2	-1	102%	1.9	74
246		Allen Harvey L.	21	-1	75	2.5	74
247		Alford Trust	100	-1	75	2.5	74
248	95	Alfred Jones	100	-1	0.15	1	1
249	95	Alfred Jones	100	-1	0.15	1	1
250	95	Alfred Jones	100	-1	0.15	1	1
251	95	Alfred Jones	100	-1	0.15	1	1
252	95	Alfred Jones	100	-1	0.15	1	1
253	95	Alfred Jones	100	-1	0.15	1	1
254	95	Alfred Jones	100	-1	0.15	1	1
255	95	Alfred Jones	100	-1	0.15	1	1
256	95	Alfred Jones	100	-1	0.15	1	1
257	95	Alfred Jones	100	-1	0.15	1	1
258	95	Alfred Jones	100	-1	0.15	1	1
259	95	Alfred Jones	100	-1	0.15	1	1
260	95	Alfred Jones	100	-1	0.15	1	1
261	95	Alfred Jones	100	-1	0.15	1	1
262	95	Alfred Jones	100	-1	0.15	1	1
263	95	Alfred Jones	100	-1	0.15	1	1
264	95	Alfred Jones	100	-1	0.15	1	1
265	95	Alfred Jones	100	-1	0.15	1	1
266	95	Alfred Jones	100	-1	0.15	1	1
267	95	Alfred Jones	100	-1	0.15	1	1
268	95	Alfred Jones	100	-1	0.15	1	1
269	95	Alfred Jones	100	-1	0.15	1	1
270	95	Alfred Jones	100	-1	0.15	1	1
271	95	Alfred Jones	100	-1	0.15	1	1
272	95	Alfred Jones	100	-1	0.15	1	1
273	95	Alfred Jones	100	-1	0.15	1	1
274	95	Alfred Jones	100	-1	0.15	1	1
275	95	Alfred Jones	100	-1	0.15	1	1
276	95	Alfred Jones	100	-1	0.15	1	1
277	95	Alfred Jones	100	-1	0.15	1	1
278	95	Alfred Jones	100	-1	0.15	1	1
279	95	Alfred Jones	100	-1	0.15	1	1
280	95	Alfred Jones	100	-1	0.15	1	1
281	95	Alfred Jones	100	-1	0.15	1	1
282	95	Alfred Jones	100	-1	0.15	1	1
283	95	Alfred Jones	100	-1	0.15	1	1
284	95	Alfred Jones	100	-1	0.15	1	1
285	95	Alfred Jones	100	-1	0.15	1	1
286	95	Alfred Jones	100	-1	0.15	1	1
287	95	Alfred Jones	100	-1	0.15	1	1
288	95	Alfred Jones	100	-1	0.15	1	1
289	95	Alfred Jones	100	-1	0.15	1	1
290	95	Alfred Jones	100	-1	0.15	1	1
291	95	Alfred Jones	100	-1	0.15	1	1
292	95	Alfred Jones	100	-1	0.15	1	1
293	95	Alfred Jones	100	-1	0.15	1	1
294	95	Alfred Jones	100	-1	0.15	1	1
295	95	Alfred Jones	100	-1	0.15	1	1
296	95	Alfred Jones	100	-1	0.15	1	1
297	95	Alfred Jones					

36	265	Cat's (Hedge) Ltd.	32	21	1.0	9.4	(55.9)
174	5208	Cie Brest Fr. 100.	537.2	0.05%	4	4.3	—
139	117	Lloyds & Scott 20c	165	5.27	2.4	6.3	13.1
43	32	Lat. Sent. Fin. 10c	40	70.17%	2.0	6.3	7.0
421	124	Monte Carlo Mem. 10c	198	10.9	2.4	6.6	(8.9)
149	91	Prov. Financials	14000	76.45	2.2	6.6	9.0
148	91	Sting. Credit 10c	15	50.96	2.3	6.5	(6.0)
12	64	Storia Hedges 10c	102	—	—	—	—
54	32	Wagon Finance	3990	2.31	1.3	8.5	12.9

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DRAPERY AND STORES	
16	All above 10p.
22	Amber Day 20p
27	Aqueduct 5p.
28	Do. "A" 5p
26	S & O (Retail) 5p
61	Baker's Strs. 10p
41	Bakers Stores 10p
36	Bentley L.H. "A"
13	Bentley 70p.
21	21
27	27
31	31
33	33
74	74
98	98
142	142
24	24
1.0	1.0
2.8	2.8
2.05	2.05
2.05	2.05
42.0	42.0
50.5	50.5
61.33	61.33
4.5	4.5
7.35	7.35
16	16
8	8
9	9
3	3
4	4
4	4
7	7

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1980	Low	Stock	Price	%	Div.	Yr
52		Ward & Gold	74	-1	5.4	25.16
56		Wheeler B. 12 1/2	101		13.5	113.5
224		Wellco Mids. 50	64	14	3.2	8.8
21		Whitworth 21 1/2	20		0	3
420		White Star Pk. 20	85 1/2	-1 1/2	15.0	41.2
130		Wiggin (H.)	132	-1	13.5	8.14

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30	Brookhouse	38	-2	4.65	1.9	2.2
30	Brown's Cast 10p	62		4.0	2.4	9.2
122	Brown Eng. 10p	15		62.65	2.3	2.0
41	Brooke Tool	53		72.89	2.1	7.1
57	Brother's P. 50p.	98		1.0		
96	Brown & Tasse	96	-1	6.4	3.1	9.2
46	Brown (John) 5p	622	-1	4.25	3.0	9.2
142	Brough 20p.	142		10.75	3.5	10.0
41	Burgess Prod.	44		3.75	3.12	3.2
28	Butlerfield Hwy.	28		2.8	2.2	1.4
40	Camford Enn	40	-1	74.06	2.2	1.4

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HOTELS AND CATERERS		HOTELS AND CATERERS	
54	Weston's	54	Weston's
55	Confort Inn 100	55	Confort Inn 100
56	Confort Inn 100	56	Confort Inn 100
57	Epitaphs 200	57	Epitaphs 200
58	Grand Motel	58	Grand Motel
59	Winnipeg 200	59	Winnipeg 200
60	Winnipeg 200	60	Winnipeg 200
61	Winnipeg 200	61	Winnipeg 200
62	Winnipeg 200	62	Winnipeg 200
63	Winnipeg 200	63	Winnipeg 200
64	Winnipeg 200	64	Winnipeg 200
65	Winnipeg 200	65	Winnipeg 200
66	Winnipeg 200	66	Winnipeg 200
67	Winnipeg 200	67	Winnipeg 200
68	Winnipeg 200	68	Winnipeg 200
69	Winnipeg 200	69	Winnipeg 200
70	Winnipeg 200	70	Winnipeg 200
71	Winnipeg 200	71	Winnipeg 200
72	Winnipeg 200	72	Winnipeg 200
73	Winnipeg 200	73	Winnipeg 200
74	Winnipeg 200	74	Winnipeg 200
75	Winnipeg 200	75	Winnipeg 200
76	Winnipeg 200	76	Winnipeg 200
77	Winnipeg 200	77	Winnipeg 200
78	Winnipeg 200	78	Winnipeg 200
79	Winnipeg 200	79	Winnipeg 200
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81	Winnipeg 200	81	Winnipeg 200
82	Winnipeg 200	82	Winnipeg 200
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96	Winnipeg 200	96	Winnipeg 200
97	Winnipeg 200	97	Winnipeg 200
98	Winnipeg 200	98	Winnipeg 200
99	Winnipeg 200	99	Winnipeg 200
100	Winnipeg 200	100	Winnipeg 200

[illegible][illegible]

FINANCE LAND—Continued[illegible][illegible]

Central Africa

520	Falcon Rh. 50c	9
29	Rhod'n Corp. 163p	
140	Ross Cons. K4	I
43	Warlike Col. Rh. I	
25	Zam. Cor. 5800 24	

